





# Comprehensive Annual Financial Report

# 2010

gwinnettcounty, georgia

**Year Ended**
**December 31, 2010**


BOARD OF COMMISSIONERS OF GWINNETT COUNTY
DECEMBER 15, 1818
GEORGIA

# **gwinnett**county, **georgia**

## Comprehensive Annual Financial Report
## Year ended December 31, 2010

Prepared by:
Department of **Financial Services**
and the **Communications Division**

## County Commission



Charlotte J. **Nash***

CHAIRMAN



Shirley Fanning **Lasseter**

DISTRICT 1



Lynette **Howard**

DISTRICT 2



Mike **Beaudreau**

DISTRICT 3



John **Heard**

DISTRICT 4

** Elected in March 2011*



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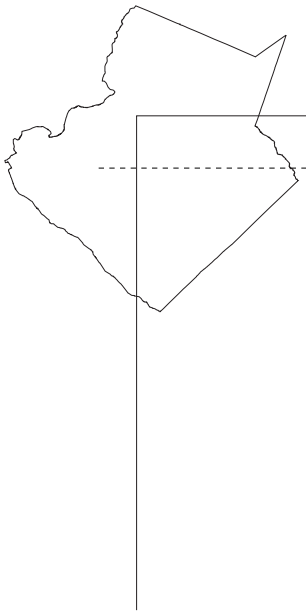
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# introductory section

Letter of Transmittal
GFOA Certificate of Achievement
Gwinnett County Organizational Chart
Department of Financial Services Organizational Chart
Accounting Division Organizational Chart

Department of Financial Services
**Office of the Director**

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June 3, 2011

Citizens,
Stakeholders,
Chairman,
and Members of the Board of Commissioners
**Gwinnett County, Georgia**

We are pleased to present the 2010 Comprehensive Annual Financial Report for Gwinnett County, which continues to detail our strong financial position despite a difficult economy. The County's strength is due in part to our long standing tradition of conservative fiscal management. In the midst of challenging financial times, we have maintained our AAA bond ratings from all three major rating agencies as well as continued our tradition of providing world-class services.

As the Chief Financial Officer and Director of Financial Services, we are pleased to continue our tradition of excellent financial reporting with this comprehensive annual report for the fiscal year ended December 31, 2010.

This report was prepared as required by both local ordinances and state statutes. It provides detailed information on how the County receives, spends, and accounts for its revenues, along with key indicators of financial strength. The County is responsible for the accuracy of the data and for the fairness and completeness of the presentation. We believe this document contains all of the information necessary to gain an understanding of Gwinnett County's financial activities in 2010 and that the information presented is fair and accurate in all material respects. We encourage readers to consider this transmittal letter in conjunction with the annotated financial statements and management's discussion and analysis.

The Comprehensive Annual Financial report (CAFR) has three main sections:

- **Introduction** – includes this transmittal, detail on the members of the Board of Commissioners, organizational charts for the County and for the Department of Financial Services, and a copy of our certificate of achievement for excellence in financial reporting.
- **Financial** – contains the independent auditor's report, management's discussion and analysis, the basic financial statements with notes, individual and combining statements and schedules for individual funds, and required supplementary information.
- **Statistical** – includes selected financial and demographic information presented mostly in multi-year form.



Two additional sections are also included to comply with other legal requirements:

- **Single Audit** – includes the schedule of expenditures of federal, state, and local awards, the schedule of findings and questioned costs and the independent auditor's report on internal control structure and compliance with applicable laws and regulations. We present this information in accordance with the *Single Audit Act of 1996,* as amended, and the U.S. Office and Management and Budget's *Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.*

- **Disclosure** – presents annual financial information and operating data for outstanding bond issues. The Securities and Exchange Commission's *Rule 15c2-12* requires that municipal bond underwriters gain reasonable assurance from bond issuers that they will provide annual information and notices of material events for disclosure to the secondary bond market.

The County has various component units that are legally separate entities but have significant operational and/or financial relationships to the County.

- Discretely presented component units are reported in a separate column or row in the financial statements to emphasize that they are legally separate and to differentiate their financial position from those of the primary government. These units include: the Development Authority of Gwinnett County; the Gwinnett County Health Department; the Gwinnett County Public Library System; and the Springbrook Golf Course Commission. In December 2010, the Gwinnett County Board of Commissioners approved an Intergovernmental Agreement between Gwinnett County and the Springbrook Golf Course Commission which conveyed the Golf Course to Gwinnett County. Individual presentations are in the combining statements on pages 47 and 48.

- Blended component units are in substance part of the primary government's operations and are therefore included as part of the primary government. Specifically, the Airport Authority, the Recreation Authority, the Stormwater Authority, the Public Facilities Authority, and the Water and Sewerage Authority are reported as part of the primary government.

## Demographics

Gwinnett County is the northeast gateway to the metropolitan Atlanta area, with Interstate 85 running generally north/south through the county. The county seat of Lawrenceville is a 25-minute drive from downtown Atlanta. There are 15 incorporated municipalities within Gwinnett County's 437 square miles, but 81 percent of Gwinnett residents live in unincorporated areas. With a population of 805,321, Gwinnett is not only the second most populous county in the state of Georgia, but also the 65th largest U.S. county by population and larger than four states. The statistical section of this report contains more detailed demographic information.

## Governmental Structure

The governing authority consists of a five-member Board of Commissioners, including a full-time chairman elected at-large, and four part-time commissioners elected within districts. The County Administrator reports to the Board of Commissioners and manages the daily operations. The County also has 24 Elected Officials and eight judicially appointed officials. A complete list is located on page 13.

The County government provides traditional county services, such as road construction and maintenance and court-related functions, as well as typical municipal services such as police, fire, emergency medical, recreation, solid waste, and water and sewer.

## Economic Condition and Outlook

**Local Economy**
Fiscal year 2010 was another difficult year with many challenges for local, state, and national economies. Yet Gwinnett still added new residents in 2010, drawn by the opportunities and quality of life we offer.

The County's economic development program continues to be strong. Advanced Micro Devices (AMD) is coming to Gwinnett County and will build a $250 million data center near Suwanee in 2012. High capital investment projects such as AMD bring balance to Gwinnett's tax base. The County, working with our Chamber of Commerce, continues to aggressively pursue our economic development initiative, PartnershipGwinnett. For additional details on this initiative, please visit the Partnership Gwinnett website at www.partnershipgwinnett.org.

We have consistently maintained a strong financial position despite economic downturns, and we intend to continue that tradition.

## Major Initiatives

This section highlights some of the major initiatives underway in 2010. More recent information and details are available in the 2011 Annual Budget Document.

**Overview**
Gwinnett has maintained AAA credit ratings from all three major credit rating agencies for the past 13 years. Only 35 counties nationwide can boast triple-AAA ratings. In 2010, the County completed the defeasance of $14,495,000 in Development Authority Bonds originally issued in 2008 for the Recovered Materials Processing Facility project as well as restructured the 2001 Civic Center bonds. Savings realized from the Civic Center bond restructuring are anticipated to be in excess of $1.7 million. Our excellent credit rating results in significant interest savings for Gwinnett residents.

Voters approved the 2009 Special Purpose Local Option Sales Tax (SPLOST) in November of 2008 and collections began on April 1, 2009. The 2009 SPLOST is likely to raise more than $700 million over five years. SPLOST revenue will be used to fund transportation, public safety, parks and recreation, library, and courthouse expansion projects consistent with the referendum.

The General Fund, which is the main operating fund of the County, ended the fiscal year with a contribution to fund balance of $29.8 million. With revenues performing at 100.6 percent of budget and departmental expenditures reported at 94.3 percent of budget, our fund balance contributions exceeded expectations. Additionally, we have continued our aggressive contributions to both our defined benefit pension trust (DB) and our Other Post Employee Benefits trust (OPEB). Contributions to both trusts equated to $87.8 million in 2010, of which $60.9 million was contributed to the defined benefit trust. This amount exceeds the annual required





contribution by $45.1 million, of which $33.4 million was for the DB Plan and $11.7 million was for the OPEB Trust. The County's OPEB and DB investment managers performed in the seventh (7th) percentile when comparing our investment returns with those of other governmental plans, as reported by our external consultants Towers Watson. Realizing a 14.8 percent return, net of fees, continues to assist us in improving our funding levels.

**Planning, Economic Development, and Revitalization**

The Board of Commissioner's adopted the 2030 Unified Plan in 2009. This plan will guide the County's growth and infrastructure development for decades. Four Community Improvement Districts (CID) are now operating to help revitalize targeted areas: Gwinnett Place; Evermore (Highway 78); Gwinnett Village; and Lilburn. Gwinnett also offers five Tax Allocation Districts (TAD), Opportunity Zone tax advantages for creating jobs, and Recovery Zone bond financing. Partnership Gwinnett helped recruit or create more than 9,200 jobs and 200 business expansions or relocations since 2007.

Other County initiatives included the creation of a strategic infrastructure planning unit within Water Resources, computerized forms and reporting processes for greater efficiency, updated zoning and development regulations, and improved revenue collections.

Furthermore, a project is underway to update, streamline, and combine existing zoning codes and development regulations into one document, the Unified Development Ordinance, which will formalize the community's vision for future development as captured in the 2030 Unified Plan.

Gwinnett's hospitality and international sophistication, along with affordable real estate and a well-educated labor pool, continues to attract a comprehensive array of diverse companies.

**Community Services**

In 2010, Gwinnett County Parks and Recreation was ranked as the number one park agency in the state by the Georgia Recreation and Parks Association (GRPA). Gwinnett County Parks and Recreation operates 44 parks and facilities.

In 2010, Freeman's Mill Park, the newest park along the banks of the Alcovy River, which includes a unique playground that replicates a gristmill, picnic pavilion, half-mile multi-purpose trail, parking, and restroom facilities as well as the historic Freeman's Gristmill, was opened to the public.

Also in 2010, the SPLOST-funded Hamilton Mill Library Branch was opened. Other new parks and park improvements include the Ivy Creek Greenway and Bryson Park (new construction underway), Harbins Park and Rabbit Hill Park (design underway for new portions), Rhodes Jordan Park (renovations underway), and Lions Club Park (design for renovations underway).

Gwinnett County continues to place a high priority on greenspace, as well as active and passive park land. As of 2010, the total parkland acreage grew to 8,988 acres for both passive and active parks.

Participation in recreational programs included: 45,595 in youth sports, 7,613 in adult sports, and 522,322 at aquatic centers including 32,572 seniors in water exercise programs and 2,250 swim lessons. Gwinnett County is recovering more of the operating costs for our active recreational facilities. Additional revenue increases of over $200,000 have been identified for 2011 to further help with operational costs, of which $150,000 is a lighting expense reimbursement from the Youth Athletic Associations.

The Triple-A affiliate of the Atlanta Braves, the Gwinnett Braves moved to Gwinnett from Richmond, Virginia in 2008. Coolray Field which opened in 2009 is a state-of-the-art stadium seating more than 10,000 fans. The opening of Coolray Field has generated more than 400 jobs for the county. In addition, the Gwinnett Braves have given back to the community by donating more than $155,000 to local non-profits as a result of fundraisers.

In 2010, the County opened the new Senior Services Center built mainly with federal stimulus funding. The number of meals served through the Senior Centers and Meals on Wheels deliveries in 2010 was 163,186.

The Cooperative Extension Service served nearly 200,000 residents in 2010 and the 2010 General Election had the highest voter turnout for the governor's race since 1994. (52.86 percent)

The department of Community Services continued to leverage volunteer and financial assistance through volunteer's donation of more than 283,065 hours of work and receipt of more than $1 million in grants, sponsorships, and exhibits.

**Public Safety**

The County continued to place an emphasis on public safety in 2010. The County added 50 firefighters, 47 paramedics, and 65 police officers during the year. In addition to adding personnel, the County completed the construction of two new fire stations in 2010 and relocated one fire station for improved coverage. The County also completed construction of the new police annex headquarters with E-911 Communications and a state-of-the-art Emergency Operations Center. A new bomb disposal truck was acquired with grants and other funds.

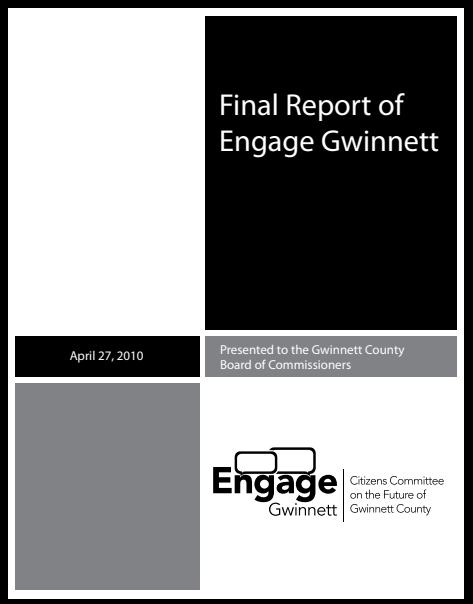
The number of E-911 calls in 2010 was 457,606, up 34,070 or eight percent over 2009.

During 2010, Fire and Emergency Services responded to 91,658 emergency medical services calls, 21,399 fire calls, and transported 31,836 patients. In addition, Fire and Emergency Services started the Safe Kids Gwinnett program and the Citizens Fire Academy Alumni donated 2,400 hours of time to further their mission.

Fiscal year 2010 also brought efficiency improvements which included the online accident reporting system, designed to allow our constituents greater access to file and retrieve reports.

The Nationally accredited Police Department seized $53.8 million in illegal drugs and $2.2 million of counterfeit goods. Also, homicide, robbery, assault, burglary and motor vehicle theft crimes declined in 2010. The Quality of Life unit received five sworn officers and five code enforcement officers and relocated their offices to One Justice Square.






The County's Corrections Complex continues to be Georgia's only accredited government-owned prison. Inmates provided 110,000 hours of offender labor for Gwinnett County, which translates into $1.2 million in cost savings to County departments, cities and community improvement districts for work performed.

**General Government**

The Information Technology Services Department implemented several efficiency improvements in 2010, including the utilization of email newsletters to communicate with residents and business owners, as well as internally hosting the County website, saving $120,000 annually. Other initiatives of the department include opening the backup data center, in-house systems security, voice-over IP, and upgrading technology infrastructure to allow more process automation and employee collaboration.

Also in 2010, the Department of Human Resources implemented the Countywide wellness program in which 62.4 percent of all County employees participated. In addition the County saved $1.5 million in healthcare costs through consolidation of healthcare providers and plan changes.

Other initiatives include the conversion of accident reports and Recorder's Court citations to electronic files, addition of 2010 census data to Geographic Information System (GIS), and generation of $1.1 million in eBay sales for used vehicles and other surplus items.

The Department of Financial Services implemented electronic W2s for employees, thus increasing efficiency and decreasing printing and mailing costs.

The Department of Financial Services continued its tradition of excellence in financial reporting by receiving the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and GFOA Distinguished Budget Document Awards. In addition, the department received the Achievement of Excellence in Procurement Award from the National Purchasing Institute.

**Water Resources**

The Department of Water Resources completed a reuse water pipeline to Lake Lanier and began recycling highly-treated reclaimed water to the lake in 2010. The department is permitted to return up to 40 million gallons per day. Other initiatives for 2010 include the continued expansion and improvement of the Yellow River Water Reclamation Facility which will consolidate six older, less-efficient treatment plants and is scheduled to be completed in 2012. In addition, the improvements to the Crooked Creek Water Reclamation Facility which will increase capacity and lower operating costs, are scheduled for completion in 2013.

Also in 2010, the No Business Creek wastewater tunnel was opened which economizes the pumping and treatment of waste water. Water Resources decommissioned and demolished several old water storage tanks and implemented efficiency improvements which totaled $10.5 million in ongoing costs savings.

**Transportation**
The Department of Transportation maintained 2,750 miles of roads and 666 traffic signals in 2010. The department also implemented the GC Smart Commute, providing traffic updates 24 hours per day, seven days a week. Other 2010 accomplishments include the Sugarloaf Parkway Extension, State Route 20 widening, and installation of LED traffic lights.

In addition, the Department of Transportation:
- Added 35 cameras and 70 signals to the Automated Traffic Management System;
- Invested over $100 million (primarily through SPLOST funding) on transportation projects;
- Completed 12 "quick fix" projects and resurfaced 90 road miles;
- Completed the mid-life overhaul of 28 local Gwinnett Transit buses;
- Continued construction of McGinnis Ferry Road extension over I-85 and the State Route 324 bridge over I-85, plus three other major projects with federal stimulus funding;
- Started acquiring right-of-way for the final leg of State Route 20 widening to Forsyth County line; and
- Funded the design phase of forty-five projects through 2009 SPLOST.

**Green Government**
The County continues to place a significant emphasis on "going green" and completed the following initiatives in 2010:
- Received the Bronze Certification from the Atlanta Regional Commission Green Communities Program;
- Green Government/Green Communities strategy: Lights Out, Power Down program, Energy Star partnership, and green fleet and anti-idling policy;
- Energy efficiency retrofits funded by conversation block grant are underway;
- Hamilton Mill Library awarded LEED Gold certification;
- New gas-to-energy project soon will make electricity from waste methane gas at the F. Wayne Hill treatment plant;
- Replaced 7,000 inefficient toilets through the toilet rebate program; and
- Implemented a residential solid waste plan, which increased curbside recycling opportunities five-fold and reduced truck traffic in neighborhoods.

## Capital Improvement Program

Maintaining and expanding the County's infrastructure – including water, sewer, recreation, transportation, criminal justice, and public safety – remains a high priority for the County. The Capital Improvement Program (CIP) captures and coordinates the needs and plans of all County departments. A five-year plan provides for current development, financing, and maintenance needs. The County also maintains a longer-term Comprehensive Plan in accordance with state requirements.



## Financial Information

**Improving the County's Financial Position**

The County has implemented two programs to ensure community involvement and the maintenance of a strategic focus during difficult economic times. A citizen-led initiative, **Engage Gwinnett** (Citizens Committee for the Future of Gwinnett County), kicked-off in September 2009. Committee members spent approximately six months looking at the community's needs for current and future government services. The mission included the prioritization of services, and proposing funding strategies to pay for those services over the next five years. Engage Gwinnett strategically involved the community in the process of making informed recommendations to the Board of Commissioners about future service levels, funding needs, and available resources. The committee is made up of representatives from 30 community stakeholder groups and 10 self-selected citizen leaders. The group sought common ground, workable solutions, and compromises when necessary. The Engage Gwinnett Committee presented its final recommendations to the Board of Commissioners in April 2010. The County appreciates the hard work, effort, and dedication of the volunteer members of Engage Gwinnett throughout this ongoing process. The final report and documented actions taken by the County can be reviewed at www.engagegwinnett.com.

The second initiative towards improving the County's financial position is the Business Planning Process (BPP). The concept was piloted for the 2009 budget. In 2010, each department reporting to the Board of Commissioners had to examine its services and determine if they: are aligned with the strategic direction of the County as defined in Gwinnett's 2030 Unified Plan; are considered "core" to the mission of the government; and achieve outcomes relative to the resources allocated. Constitutional Officers were invited to participate in the BPP process as well. This initiative closely aligns the planning process with the budgeting process and provides the basis for all stakeholders to understand the expected results and for policymakers to make decisions in an informed manner. In light of the economic downturn, the Business Planning Process provides the framework needed to plan for reductions in expenses and revenues.

**Internal Controls**

County management maintains internal accounting controls to ensure that the County's assets are protected from loss, theft, or misuse, and that adequate accounting data allows financial statements to conform to generally accepted accounting principles. These controls provide reasonable, but not absolute, assurance of meeting our objectives, recognizing that 1) the cost of an accounting control should not exceed the likely benefit, and 2) evaluating costs and benefits requires management estimates and judgments.

**Budgetary Controls**

Sound financial management and legal compliance require good budget controls. State statutes require the County to operate under an annual balanced budget adopted by local resolution. Within each fund, expenditures may not legally exceed appropriations at the department level. An automated funds-availability verification process provides operational control of departmental budgets. More details are in Note 2 of the Notes to Financial Statements. No later than December 1 of each year, the Chairman of the Board of Commissioners submits a proposed budget for the ensuing calendar year for each County fund. The Board reviews, legal requirements for advertising the budget and for holding public hearings are met, and then adoption of the annual financial plan occurs at the first regularly-scheduled Commissioner meeting of the year.

**Independent Audit**

The financial statements are prepared in compliance with governmental-reporting standards issued by the Governmental Accounting Standards Board; guidelines issued by the Government Finance Officers Association of the United States and Canada; and generally accepted accounting principles applicable to government entities. Georgia requires an annual audit by an independent Certified Public Accountant. Included in the financial section is the report on the County's basic financial statements by the accounting firm of Mauldin and Jenkins, which the County selected through a competitive proposal process in 2009.

Mauldin and Jenkins also performed an audit of federal and state awards in accordance with the Single Audit Act and the Office of Management and Budget's Circular A-133. More information on this audit, as well as the Mauldin and Jenkins reports are in the Single Audit Section.

**Internal Audit**

The internal audit function is housed within the Performance Analysis Division, which reports to the Board of Commissioners. The Performance Analysis Division (PAD) works directly with the County Administrator's office on a daily basis to build a "Committee of Sponsoring Organizations" (COSO) based audit approach, as well as having responsibility for overseeing the County's Performance Management Program. PAD routinely provides updates to the Board of Commissioners, covering a wide range of topics with a focus on audit results and performance metrics. The internal audit function also works closely with the external auditors to ensure proper audit coverage. The main focus of the audit function is to provide a review of internal controls, across all departments, by performing a range of audits which include financial, compliance, and operational reviews. The Director of PAD also sits on the Executive Audit Committee which is comprised of, among others, citizens from the county. Routine updates are provided to the Executive Audit Committee outlining any control issues and recent audit activity.

**Awards**

In 2010, for the 29th consecutive year, Gwinnett County received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the fiscal year ending December 31, 2009. The award honors easily readable, efficiently organized, comprehensive annual financial reporting that conforms to program standards. The certificate recognizes the use of generally accepted accounting principles and meeting applicable legal requirements. The County intends to maintain and surpass this standard and to submit this and future reports to GFOA for consideration.

Other awards for 2010 included:

- 2010 Achievement Awards for Floodplain Management Program;
- Financial Services Continuous Improvement program from the National Association of Counties;
- Governor's Valor Award to Gwinnett Firefighter Scott Robertson;
- Meritorious Award and Flagship Agency status to the Police Department from the CALEA accreditation organization;
- 2010 State Agency of the Year to Parks and Recreation from Georgia Recreation and Park Association;
- Stormwater Program of the Year and Best Large Water Distribution System from the Georgia Association of Water Professionals;
- Excellence in Floodplain Management from the Georgia Association of Floodplain Management programs;
- Distinguished Budget Presentation Award from the Government Finance Officers Association;

- Achievement of Excellence in Procurement Award from the National Purchasing Institute;
- Best in Gwinnett awards from Gwinnett Magazine readers for Best Facilities Maintenance (Gwinnett County Parks) and Best Place for a Wedding (Gwinnett Historic Courthouse);
- Outstanding Planning Document for the 2030 Unified Plan from the Georgia Planning Association;
- Award of Excellence from the Associated Builders and Contractors Inc., and National AIA Academy of Architecture for Justice Facilities Award from the American Institute of Architects to Police Headquarters Annex and E-911 Center; and
- New Landmark Library for 2011 to Hamilton Mill Library from the Library Journal.

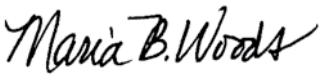
## Acknowledgements

This document is made possible by the commitment of Financial Services staff throughout the year and especially during the annual audit and CAFR preparation. We recognize and appreciate the willingness of each County department and agency to work together toward common goals to benefit Gwinnett's residents. We also thank Mauldin and Jenkins for their assistance. We extend appreciation and thanks to County Administrator Glenn Stephens and the Board of Commissioners for their support, guidance and advice in planning and conducting the County's financial activities in a responsible and progressive manner. Our continued solid financial position in 2010 is a tribute to their dedication.

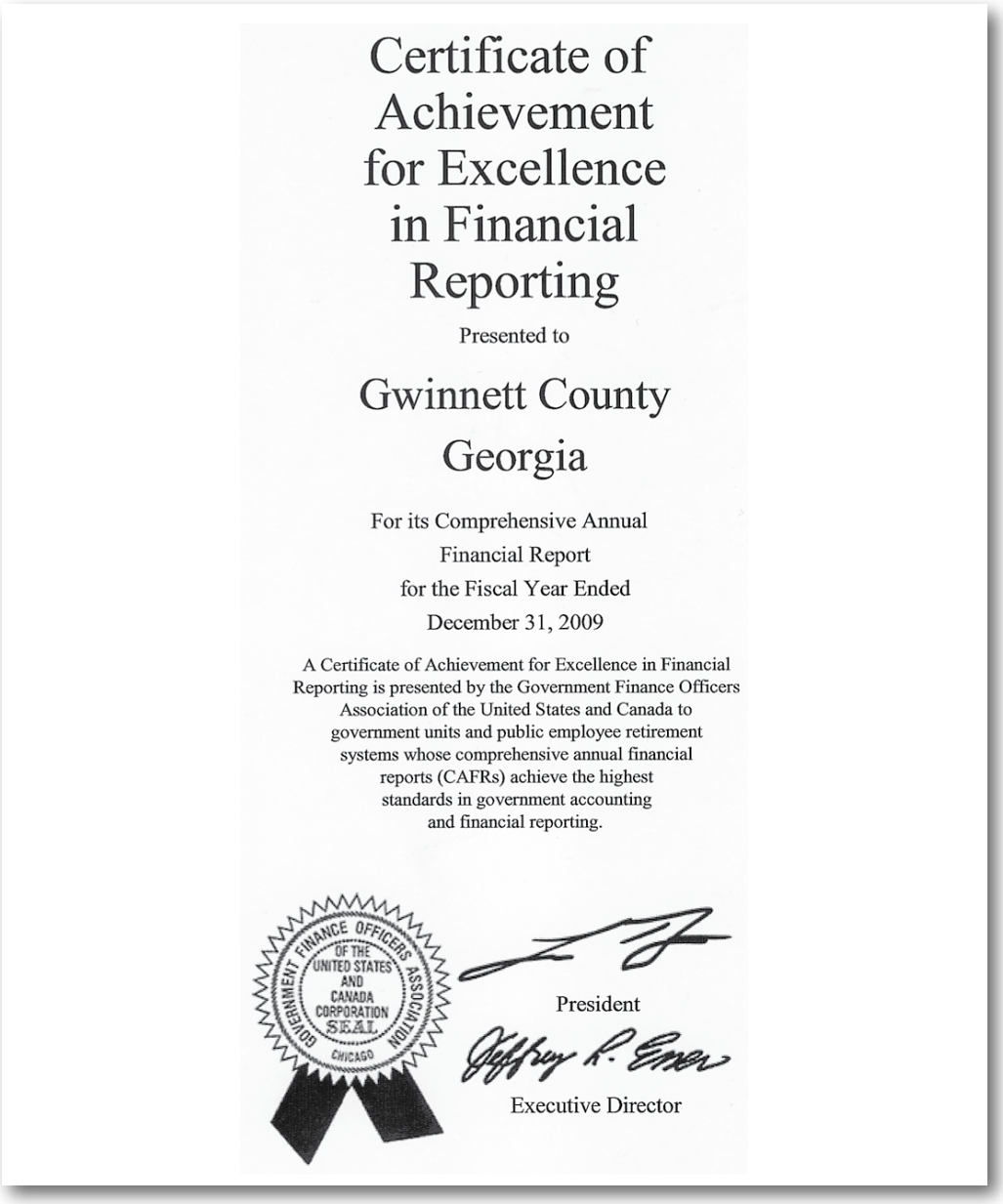
Respectfully submitted,



Aaron J. Bovos
Deputy County Administrator/CFO



Maria B. Woods
Director of Financial Services



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Gwinnett County
## Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

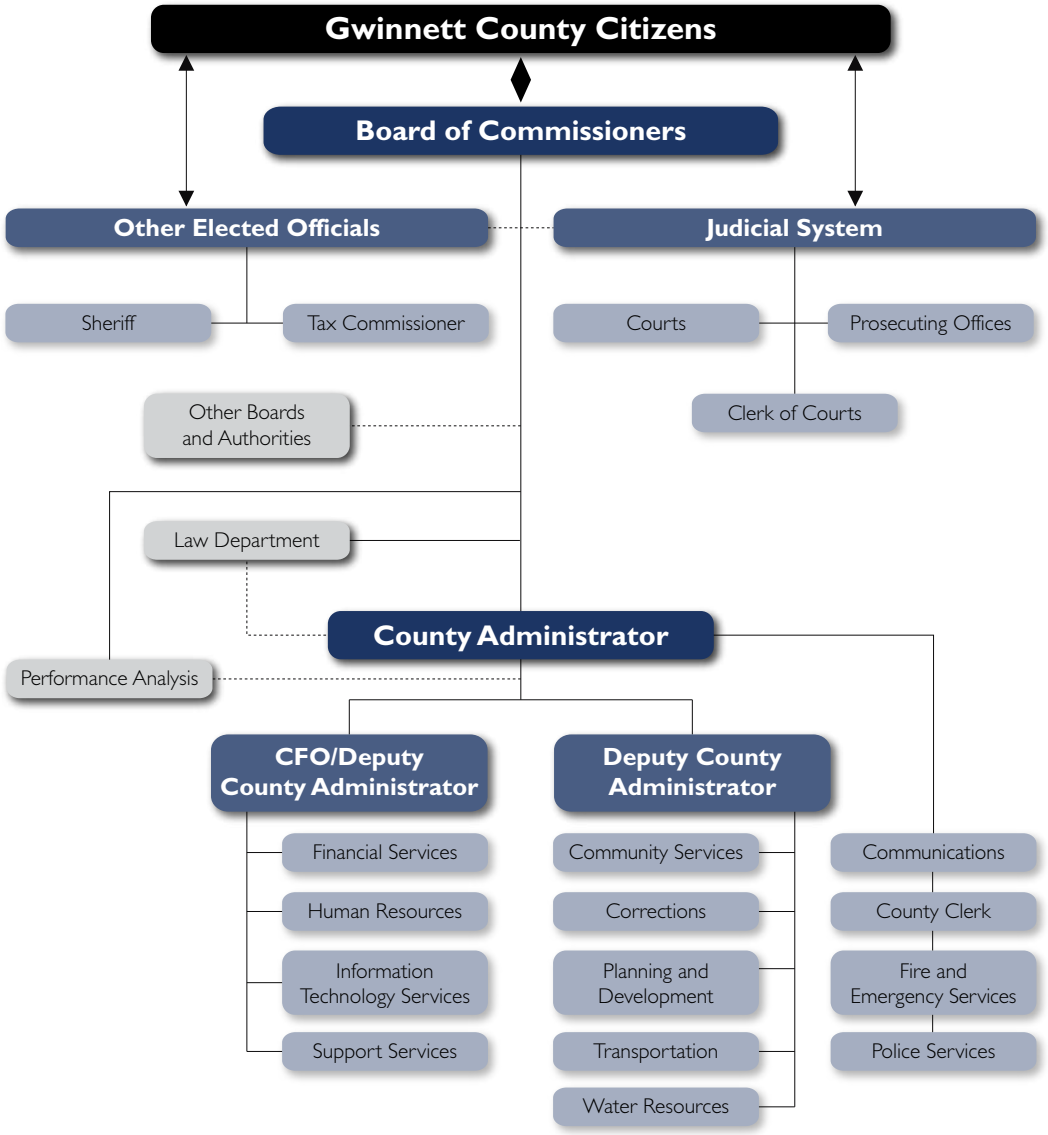
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

## Gwinnett County Organizational Chart



## County Administration/Department Directors

County Administrator
Glenn P. **Stephens**

Deputy County Administrator/CFO
Aaron J. **Bovos**

Deputy County Administrator
Vacant

County Attorney
Karen **Thomas**

Community Services
Phil **Hoskins,** Director

Corrections
David **Peek,** Warden

Financial Services
Maria **Woods,** Director

Fire and Emergency Services
Chief Bill **Myers**

Human Resources
Kenneth **Poe,** Director

Information Technology Services
John **Matelski,** Director

Planning and Development
Bryan **Lackey,** *Acting Director*

Police Services
Chief Charles M. **Walters**

Support Services
Steve **North,** Director

Transportation
Brian **Allen,** Director

Water Resources
Lynn **Smarr,** *Acting Director*

## Elected Officials

Clerk of Court
Tom **Lawler**

District Attorney
Daniel J. **Porter**

Chief Magistrate Court Judge
George F. **Hutchinson III**

Probate Court Judge
Walter J. **Clarke Jr.**

Sheriff
R.L. "Butch" **Conway**

Solicitor
Rosanna **Szabo**

Tax Commissioner
Katherine **L. Meyer**

State Court Judges
Robert W. **Mock Sr.,** Chief Judge
Pamela D. **South**
Joseph C. **Iannazzone**
Carla E. **Brown**
Randolph G. **Rich**
John F. **Doran Jr.**

Superior Court Judges
K. Dawson **Jackson,** Chief Judge
Michael C. **Clark**
Melodie **Snell-Conner**
Debra K. **Turner**
William M. **Ray II**
R. Timothy **Hamil**
Ronnie K. **Batchelor**
Thomas N. **Davis Jr.**
Warren P. **Davis**
Karen E. **Beyers**
Homer M. **Stark,** Senior Judge

## Judicially Appointed Officials

Juvenile Court Judges
Robert V. **Rodatus,** Presiding Judge
Stephen E. **Franzén**
Robert **Waller**

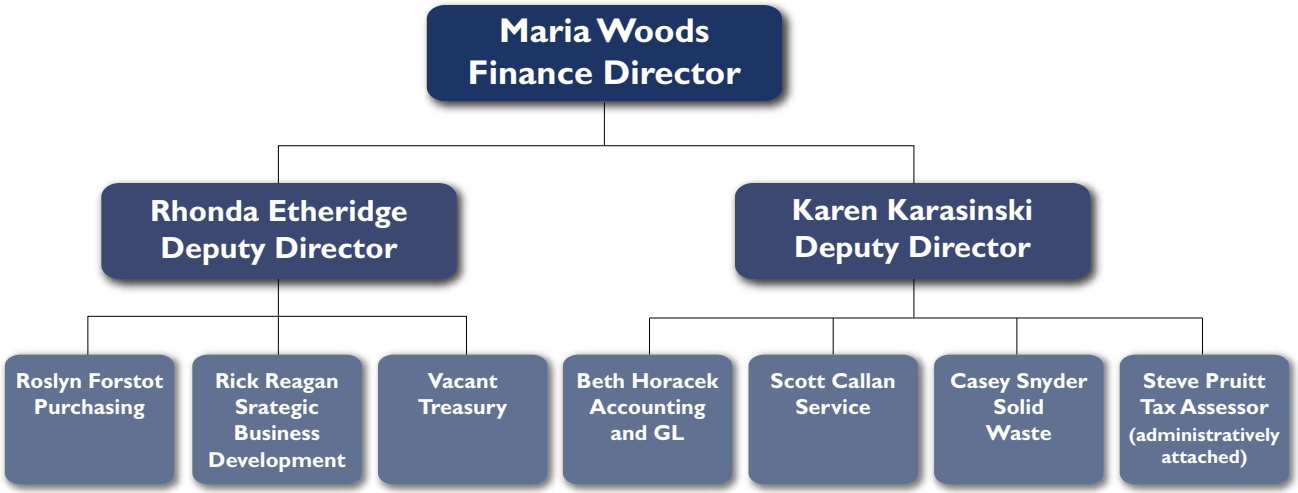
Recorder's Court Judges
Michael **Greene,** Chief Judge
Patti **Muise**
Rodney S. **Harris**

Clerk of Recorder's Court
Jeff C. **West**

Court Administrator
Philip M. **Boudewyns**

## Financial Services Organization Chart

### Department of Financial Services
Director's Office



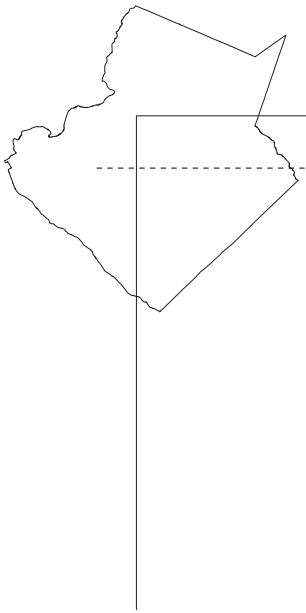
## Accounting Division

Beth **Horacek**, CPA, Director
Laurie **Bohon**, CPA, Financial Reporting Manager
Buffy **Alexzulian**, Accounting Manager
Susan **Paul**, Revenue and Debt Manager

Yolanda **Anderson**, Financial Analyst
Dana **Brunson**, Financial Analyst
Sherrilynn **Chess**, Financial Analyst
Deirdre **Diggs**, Financial Analyst
Tamara **Ellison**, Financial Analyst
Karen **Hayes**, Financial Analyst
Cindy **Knapp**, Financial Analyst
Suhelly **Lopez**, Financial Analyst

Shirley **Roper,** Administrative Assistant

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# financial section

Independent Auditors' Report
Management's Discussion and Analysis

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT AUDITORS' REPORT

**The Board of Commissioners**
**Gwinnett County, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Gwinnett County, Georgia** (the "County") as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gwinnett County Board of Health, which represents 10% and 39%, respectively, of the assets and revenue of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gwinnett County Board of Health, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of 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 Gwinnett County, Georgia, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com
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In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Schedules of Funding Progress (on pages 19 through 34 and pages 97 and 98, respectively) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, disclosure section, and the accompanying Schedule of Expenditures of Federal, State, and Local Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal, State, and Local Awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory, statistical, and disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

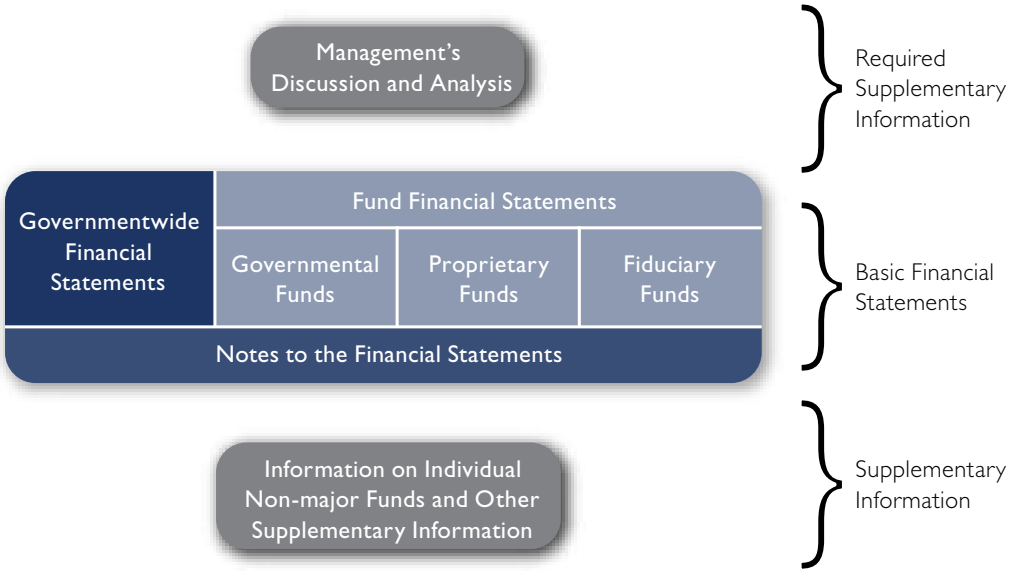
Atlanta, Georgia
June 3, 2011

## Management's Discussion and Analysis

As management of Gwinnett County, Georgia, we offer readers of Gwinnett County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2010. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; 4) identify material deviations from the original budget; and 5) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

## Overview of the Financial Statements

This document is arranged in the following format:




The County's basic audited financial statements are comprised of three components: 1) governmentwide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This section also contains other supplementary information in addition to the basic financial statements themselves.

**Governmentwide financial statements.** The governmentwide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the Primary Government. There are two governmentwide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities (for all fund types except fiduciary), with the difference between the two reported as net assets. Increases or decreases in net assets serve as a useful indicator of whether the financial position of the County is improving or deteriorating. This statement combines the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement." The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events giving rise to the changes in net assets, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Each of the governmentwide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, judiciary, public works, health and welfare, culture and recreation, housing and development, tourism, and development authority. The business-type activities of the County include Water and Sewer, Airport, Solid Waste, Storm Water, and Transit.

The governmentwide financial statements include Gwinnett County itself (known as the primary government), the Springbrook Golf Course Commission, the Public Library System, the Gwinnett County Health Department, and the Gwinnett County Development Authority. These legally separate entities are designated as component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Water and Sewer Authority, the Airport Authority, the Recreation Authority, the Public Facilities Authority, and the Stormwater Authority, although also legally separate, operate solely on behalf of departments of the County, and therefore are included as integral parts of the primary government.

The governmentwide financial statements can be found on pages 35 – 36 of this report. The component unit combining statements are on pages 47 – 48.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Gwinnett 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 Gwinnett 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 governmentwide financial statements. However, unlike the governmentwide financial 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 more limited than that of the governmentwide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmentwide financial statements. By doing so, readers may better understand the long-term impact of the government'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 (in the governmentwide financial statements).

The County maintains four types of governmental funds: General Fund; Special Revenue Funds; Capital Projects Funds; and Debt Service Funds. The Special Revenue Funds include Street Lighting, Speed Hump, Tree Bank, Sheriff Special Operations, Police Special Investigation, Crime Victims Assistance, District Attorney's Special Operation, Corrections Inmate Welfare, Sheriff Inmate Store, E-911, Recreation District, Grant, Tourism, Tourism Sustainability, and Stadium. The Capital Projects Funds include 1997 Sales Tax, 2001 Sales Tax, 2005 Sales Tax, 2009 Sales Tax, and Other Capital Projects. 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, Other Capital Projects, 1997 Sales Tax, 2001 Sales Tax, 2005 Sales Tax, and 2009 Sales Tax funds, all of which are reported as major funds. Data from the other (non-major) governmental funds are combined into a single, aggregated column.

Gwinnett County adopts an annual appropriated budget for its general, special revenue, debt service, and capital projects funds, except grant funds which are adopted on a project basis. A budgetary comparison statement has been provided for the General Fund. This statement is found on page 41. The basic governmental fund financial statements can be found on pages 37 – 40.

**Proprietary funds.** Gwinnett County maintains two different types of proprietary funds. Enterprise funds are used to account for quasi-business functions where revenues typically come from charges or fees (gallons of water used, airport rental, etc.) rather than taxes. The County uses enterprise funds to account for its Water and Sewer, Airport, Solid Waste, Storm Water, and Transit activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its group insurance, risk management, fleet activities, and auto liability. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the governmentwide financial statements.

Gwinnett County adopts an annual budget for management purposes for its enterprise and internal service funds. Proprietary funds provide the same type of information as the governmentwide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water and Sewer and Stormwater, which are considered to be major funds of the County.

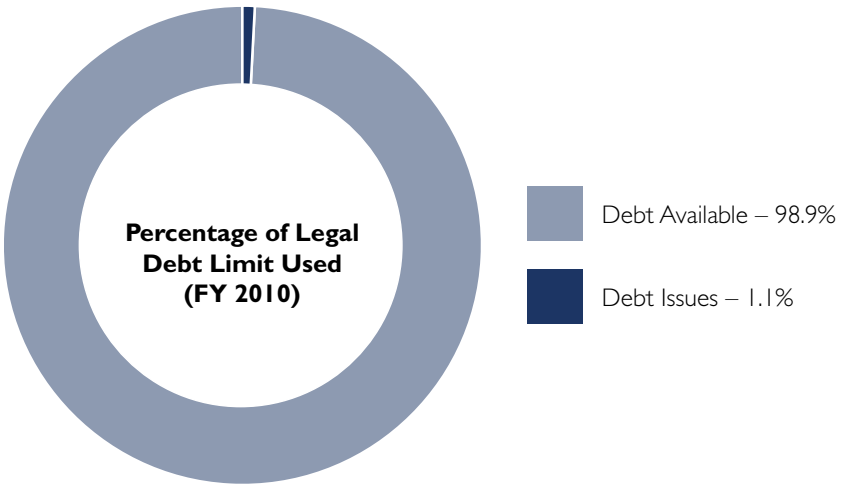
The basic proprietary fund financial statements can be found on pages 42 – 44 of this report.

**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 governmentwide financial statements because the resources of those funds are not owned by or available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Gwinnett County maintains seven fiduciary funds, called agency funds for Tax Commissioner, Clerk of the Courts, Recorder's Court, Sheriff, Probate Court, Juvenile Court, and Corrections Inmate. The agency funds are presented in total, in one column in the Statement of Fiduciary Assets and Liabilities on page 45. The County also maintains fiduciary funds for Pension and Other Post-Employment Benefits (OPEB). These funds are aggregated and presented on page 45 and 46.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the governmentwide and fund financial statements. The notes to the financial statements can be found on pages 49 – 96 of this report.

## Financial Highlights

- Gwinnett County's assets exceeded its liabilities at December 31, 2010, by $5,793,215,000 (net assets). Of this amount, $659,880,000 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2010, the County's governmental funds reported combined ending fund balances of $562,000,000, an increase of $57,835,000 in comparison with the prior year. Of this amount, $551,219,000 remains in the various funds as unreserved. The increase in fund balance is primarily a result of the second 2009 tax billing that occurred in early 2010.
- At December 31, 2010, the County's General Fund reported a fund balance of $147,953,000; an increase of $29,783,000 or 25.2 percent from last fiscal year.
- Gwinnett County's total long-term bonds decreased by $52,368,000 during the current fiscal year. This decrease is attributed to principal payments with no new debt issued during the year.
- The Water and Sewerage Fund reported an increase in net assets of $54,967,000, which is approximately $24 million more than the 2009 increase in net assets. This increase is primarily due to a 5 percent increase in water sold ($8 million) and rate/fee increases ($32 million), offset by a $9 million increase in operating expenses and a $6 million decrease in contributed capital.
- Annual required contributions to the Defined Benefit Pension Plan and the Other Post Employment Benefits Plan were exceeded by $33.4 million and $11.7 million, respectively.



## Governmentwide Financial Analysis

As noted earlier, over time net assets serve as a useful indicator of a government's financial position. In the case of Gwinnett County, assets exceeded liabilities by $5,793,215,000 at the close of the most recent fiscal year. This represents an increase of $181,906,000 or 3.1 percent from fiscal year 2009.

**Gwinnett County's Net Assets**
**(in thousands)**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | $ 905,089 | $ 853,616 | $ 337,505 | $ 302,400 | $1,242,594 | $ 1,156,016 |
| Capital assets | 2,380,979 | 2,321,815 | 3,636,963 | 3,606,496 | 6,017,942 | 5,928,311 |
| Total assets | 3,286,068 | 3,175,431 | 3,974,468 | 3,908,896 | 7,260,536 | 7,084,327 |
| Long-term liabilities outstanding | 187,148 | 211,017 | 1,096,688 | 1,139,061 | 1,283,836 | 1,350,078 |
| Other liabilities | 71,606 | 61,124 | 111,879 | 61,816 | 183,485 | 122,940 |
| Total liabilities | 258,754 | 272,141 | 1,208,567 | 1,200,877 | 1,467,321 | 1,473,018 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 2,220,825 | 2,141,050 | 2,591,610 | 2,594,387 | 4,812,435 | 4,735,437 |
| Restricted | 283,828 | 272,928 | 37,072 | 33,268 | 320,900 | 306,196 |
| Unrestricted | 522,661 | 489,312 | 137,219 | 80,364 | 659,880 | 569,676 |
| Total net assets | $ 3,027,314 | $ 2,903,290 | $ 2,765,901 | $ 2,708,019 | $5,793,215 | $ 5,611,309 |

By far the largest portion of the County's net assets (83 percent) at December 31, 2010, 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.

An additional portion of the County's net assets (six percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($659,880,000) may be used to meet the government's ongoing obligations to citizens and creditors.

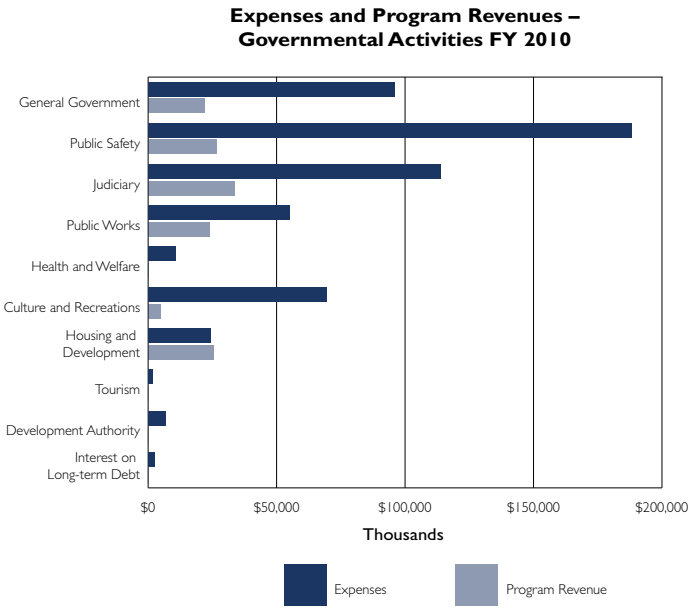
At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. Growth in net assets is an indication the County's financial position has improved over 2009.

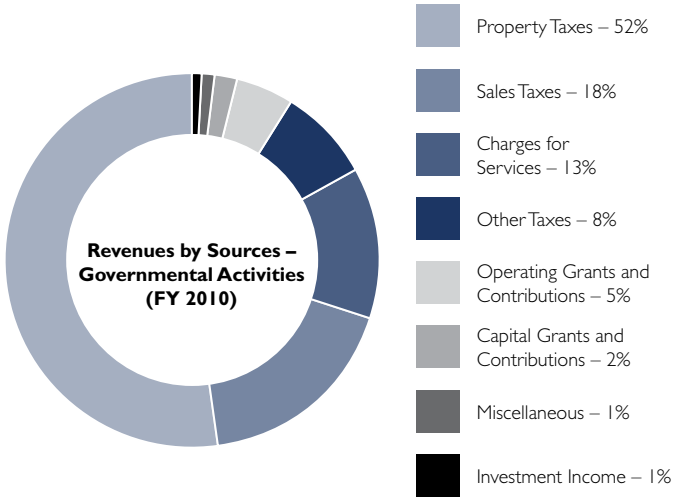
## Gwinnett County's Changes In Net Assets (in thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| **Revenues** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 92,278 | $ 94,626 | $ 296,780 | $ 245,395 | $ 389,058 | $ 340,021 |
| Operating grants and contributions | 33,739 | 30,052 | 5,740 | 4,896 | 39,479 | 34,948 |
| Capital grants and contributions | 11,182 | 13,407 | 18,616 | 33,811 | 29,798 | 47,218 |
| General revenues: | | | | | | |
| Property taxes | 363,744 | 403,235 | - | - | 363,744 | 403,235 |
| Sales taxes | 128,594 | 122,714 | - | - | 128,594 | 122,714 |
| Other taxes | 49,673 | 51,971 | - | - | 49,673 | 51,971 |
| Investment income | 6,485 | 6,571 | 346 | 189 | 6,831 | 6,760 |
| Other | 14,783 | 4,361 | 7,634 | 4,990 | 22,417 | 9,351 |
| Total revenues | 700,478 | 726,937 | 329,116 | 289,281 | 1,029,594 | 1,016,218 |
| **Expenses** | | | | | | |
| General government | 96,653 | 77,808 | - | - | 96,653 | 77,808 |
| Public safety | 188,823 | 188,851 | - | - | 188,823 | 188,851 |
| Judicary | 113,089 | 123,555 | - | - | 113,089 | 123,555 |
| Public works | 55,506 | 65,488 | - | - | 55,506 | 65,488 |
| Health and welfare | 11,528 | 12,336 | - | - | 11,528 | 12,336 |
| Culture and recreation | 69,493 | 67,369 | - | - | 69,493 | 67,369 |
| Housing and development | 25,374 | 20,971 | - | - | 25,374 | 20,971 |
| Tourism | 1,760 | 1,633 | - | - | 1,760 | 1,633 |
| Development authority | 6,675 | 4,853 | - | - | 6,675 | 4,853 |
| Interest on long-term debt | 2,661 | 1,111 | - | - | 2,661 | 1,111 |
| Water and sewage | - | - | 209,840 | 200,687 | 209,840 | 200,687 |
| Airport | - | - | 1,811 | 2,000 | 1,811 | 2,000 |
| Solid waste | - | - | 20,910 | 1,427 | 20,910 | 1,427 |
| Stormwater | - | - | 28,032 | 28,268 | 28,032 | 28,268 |
| Transit | - | - | 15,533 | 15,606 | 15,533 | 15,606 |
| Total expenses | 571,562 | 563,975 | 276,126 | 247,988 | 847,688 | 811,963 |
| Increase in net assets before transfers | 128,916 | 162,962 | 52,990 | 41,293 | 181,906 | 204,255 |
| Transfers | (4,892) | (6,858) | 4,892 | 6,858 | - | - |
| Increase in net assets | 124,024 | 156,104 | 57,882 | 48,151 | 181,906 | 204,255 |
| Net assets – January 1 | 2,903,290 | 2,747,186 | 2,708,019 | 2,659,868 | 5,611,309 | 5,407,054 |
| Net assets – December 31 | $3,027,314 | $ 2,903,290 | $ 2,765,901 | $ 2,708,019 | $5,793,215 | $ 5,611,309 |

**Governmental activities.** Governmental activities increased the County's net assets by $124,024,000 thereby accounting for 68 percent of the total growth in net assets.

- Revenue decreased by $26,459,000 primarily due to a decrease in property tax revenue of $39 million, offset by an increase in sales tax revenue ($6 million), a slight decrease in other taxes ($2 million) and an increase in miscellaneous revenue ($10 million)
- General government expenses increased by $19 million, primarily due to contributions to the Pension fund
- Culture and recreation expenses increased by $2 million, primarily due to the conveyance of the Springbrook Golf Course to Gwinnett County in 2010 and related forgiveness of debt
- Housing and development expenses increased $4 million, primarily due to increased activity for the Neighborhood Stabilization Program grant
- Expenses decreased in Judiciary ($10 million), Public Works ($10 million), and Health and Welfare ($.8 million). These decreases are primarily due to reductions in force and vacancies



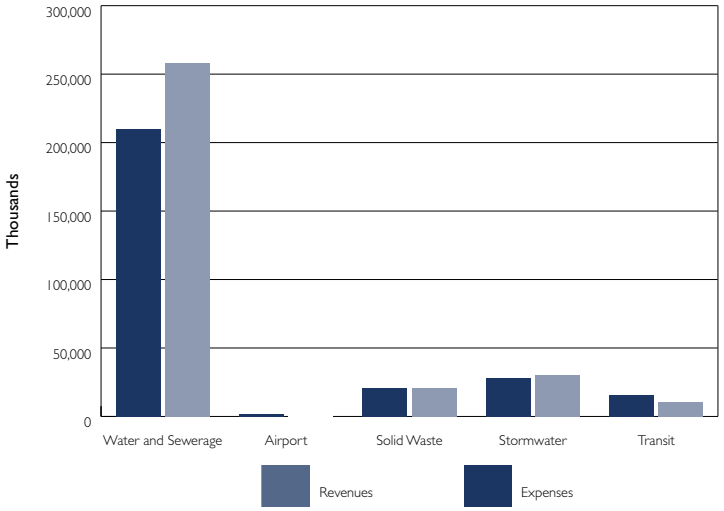
**Business-type activities.** Business-type activities increased the County's net assets by $57,882,000 accounting for 32 percent of the total growth in the government's net assets. Key elements of this increase are as follows.

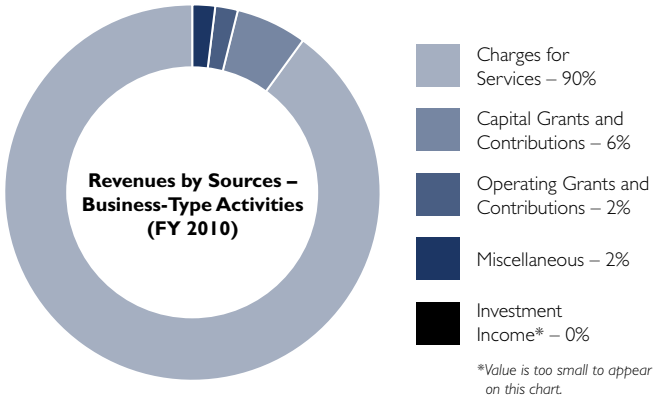
- The Water and Sewerage Fund reported an increase in net assets of $54,967,000, which is approximately $24 million more than the 2009 increase in net assets. This increase is primarily due to a 5 percent increase in water sold ($8 million) and rate/fee increases ($32 million), offset by a $9 million increase in operating expenses and a $6 million decrease in contributed capital.

- The Stormwater Fund reported an increase in net assets of $7,463,000. This is $718,000 less than the 2009 increase in net assets. While operating income is up $3,462,000 from 2009, loss on disposal of assets is up $1,095,000 (due to a new process for recording abandoned lines); capital contributions are down $4,961,000 (due to the economy), and transfers in are up $1,895,000 (due to flood reimbursements).

- The Transit Fund reported a decrease in net assets of $3,625,000. This is a $15.5 million decrease from the 2009 increase in net assets and is primarily due to the receipt of grant revenue in 2009 to purchase buses.

**Expenses and Program Revenues – Business-Type Activities FY 2010**



## Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's 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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $562,000,000, an increase of $57,835,000 in comparison with the prior year. The increase in fund balance is primarily a result of the second 2009 tax billing that occurred in early 2010. The following paragraphs discuss the individual major governmental funds as well as the debt service fund.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was $142,258,000. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 33 percent of total general fund current operating expenditures.

The Other Capital Projects Fund accounts for the financial resources to be used for the purchase and construction of major capital facilities, other than those accounted for in specific funds. At the end of the current fiscal year, unreserved fund balance of the Other Capital Projects Fund was $57,474,000. Expenditures exceeded revenues by $11,384,000. The increase in fund balance is primarily a result of an increase in contributions to fund 2011 capital appropriations.

The 1997 Sales Tax Fund accounts for the financial resources provided from the 1997 one percent Special Purpose Local Option Sales Tax. These resources, in compliance with a voter-approved initiative, must be used for road improvements, public safety, and parks and recreation. This fund was closed in 2010 and remaining balances related to interest earnings were transferred to the 2009 Sales Tax Fund.

The 2001 Sales Tax Fund accounts for the financial resources provided from the 2001 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of fiscal year 2010, the 2001 Sales Tax Fund reported an unreserved fund balance of $19,241,000, a decrease of $15,832,000 from 2009.

The 2005 Sales Tax Fund accounts for the financial resources provided from the 2005 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of the fiscal year 2010, the 2005 Sales Tax Fund reported an unreserved fund balance of $119,552,000. Total fund expenditures exceeded revenues by $44,197,000.

The 2009 Sales Tax Fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of the fiscal year 2010, the 2009 Sales Tax Fund reported an unreserved fund balance of $110,992,000. Revenues exceeded expenditures by $62,085,000.

The debt service fund has a total fund balance of $33,980,000 as of December 31, 2010, all of which is designated for the payment of debt service.

**Proprietary funds.** The County's proprietary funds provide the same type of information related to business-type activities found in the governmentwide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewerage fund at the end of the year amounted to $103,749,000. This represents an increase of $47,704,000 from unrestricted net assets as of December 31, 2009. The total growth in net assets was $54,967,000. Other factors concerning the finances of this fund have already been addressed in the discussion of business-type activities.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amount to a net decrease in budgeted expenditures and transfers of $24,661,000 and can be summarized as follows:

- Increase of $7,968,000 in Judiciary budgeted expenditures. This increase was primarily attributable to transfers from the non-departmental or miscellaneous budgeted expenditures for court reporter, court interpreters, indigent defense, and inmate medical expenditures.

- Decrease in miscellaneous budgeted expenditures of $39,895,000 which was primarily related to the following:
  - Reduction of $2,000,000 in Compensation Reserve
  - Reduction of $4,495,323 in Contingency Reserve
  - Reduction of $1,188,392 in Contribution to Transit
  - Reduction of $100,000 in Inmate Housing Reserve
  - Reduction of $2,500,000 in Inmate Medical Reserve
  - Reduction of $200,000 in Judicial Reserve
  - Reduction of $23,701,320 in Pension Reserve
  - Reduction of $5,000,000 in the Other Post-Employment Benefits (OPEB) Reserve

- Increase of $8,575,000 in Transfers Out. This was related to transfers out to the Debt Service Fund.

## General Fund Actual Expense Versus Budget Highlights

Actual expenditures came in $26,061,000 below budget and can be summarized as follows:

- General government was under budget $3,965,000.
- Public safety was under budget $8,403,000. This was primarily due to: the Department of Corrections' utilization of only four work crews, although funding for nine work crews was included in the FY 2010 budget; over half of the total overtime budget for Fire and Emergency Services was remaining at year end; and Police Services had significant savings as compared to budget in the areas of personnel costs as well as operating.
- Judiciary was under budget $2,959,000. Approximately $1,660,000 was attributable to the Courts and $439,000 was attributable to the Solicitor's Office (due to vacancies and savings related to general operating expenses).
- Public works expenditures were under budget $2,017,000.
- Health and Welfare expenditures were under budget $2,871,000. This is primarily due to lower vehicle expenditures than anticipated as well as costs savings related to the reduction in the number of temporary poll workers based on voter turn out trend analysis.
- Culture and Recreation expenditures were under budget $111,000.
- Housing and Development expenditures were under budget $734,000 due to cost savings related to a reduction in personnel in the Planning and Development Department.
- Miscellaneous expenditures were under budget $5,001,000. This is primarily related to a $5,000,000 Payment for the Gwinnett County Hospital Authority. The funds were appropriated in FY 2010; however the expenditure will not be paid until FY 2011 and therefore reflected in the FY 2011 financial statements.

## Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2010 amounts to $6,017,942,000 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, vehicles, infrastructure and construction in progress.

**Gwinnett County's Capital Assets**
**(Net of Depreciation)**
**(in thousands)**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Land | $ 670,331 | $ 574,305 | $ 73,075 | $ 72,543 | $ 743,406 | $ 646,848 |
| Improvements | 264,866 | 254,884 | 2,452,478 | 2,319,363 | 2,717,344 | 2,574,247 |
| Buildings | 557,699 | 568,751 | 573,807 | 579,912 | 1,131,506 | 1,148,663 |
| Equipment | 62,916 | 76,660 | 219,977 | 220,240 | 282,893 | 296,900 |
| Vehicles | 33,052 | 31,364 | 29,888 | 32,736 | 62,940 | 64,100 |
| Infrastructure (roads, bridges and sidewalks) | 677,976 | 684,020 | - | - | 677,976 | 684,020 |
| Construction in progress | 114,139 | 131,831 | 287,738 | 381,702 | 401,877 | 513,533 |
| Total | $ 2,380,979 | $ 2,321,815 | $ 3,636,963 | $ 3,606,496 | $ 6,017,942 | $ 5,928,311 |

Total capital assets for Governmental Activities for 2010 totaled $2,380,979,000 which is an increase of $59.2 million or 2.5 percent over 2009. The total of governmental capital assets which were transferred from construction in progress to the asset records during the year totaled approximately $134 million. Major projects consisted of the following:

- Sugarloaf Parkway Extension Phases 1 and 2 – $93.7 million
- Road Improvement – US 29 – Brand Bank to Victor Street – $ 3.1 million
- Road Improvement – Pleasant Hill (Old Norcross-Buford Highway) – $4.6 million
- Freeman's Mill Park – $2.6 million
- Rhodes Jordan Park Multi-purpose trail – $2.7 million
- Satellite Boulevard ATMS/ITS projects – $2.5 million
- Road Improvement – SR 124 – Hamilton Mill Road to Pine Road – $2.1 million

Total capital assets for Business-type Activities for 2010 totaled $3,636,963 which is an increase of $30.5 million or less than 1 percent over 2009. The total of business-type capital assets which were transferred from construction in progress to the asset records during the year totaled approximately $214 million. Major projects consisted of the following:

- Installation of 72 inch off shore water reuse steel pipeline that will return highly treated effluent to its discharge point in Lake Lanier – $76.4 million
- Drainage Improvement Projects – $13 million
- No Business Creek Tunnel – $65 million
- Stream Restoration and Best Management Practice (BMP) Construction Projects – $6 Million

Additional information on the County's capital assets can be found in ***Note 7*** on pages 73 – 76 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of $63,465,000 comprised of general obligation debt backed by the full faith and credit of the government. The County is obligated through an intergovernmental agreement for another $1,021,565,000 in Water and Sewerage Authority Revenue Bonds. Debt service on these revenue bonds is paid from water and sewerage customer charges. For the Water and Sewer Revenue Bonds, the County would be required to pay the principal and interest on those bonds should operating revenues not be adequate. There has never been an occasion when operating revenues have not been sufficient to cover all such payments.

**Gwinnett County's Outstanding Debt**
**General Obligation and Revenue Bonds**
**(in thousands)**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| General obligation bonds | $ 63,465 | $ 74,845 | $ - | $ - | $ 63,465 | $ 74,845 |
| Revenue bonds | - | 2,465 | 1,021,565 | 1,060,088 | 1,021,565 | 1,062,553 |
| Total | $ 63,465 | $ 77,310 | $ 1,021,565 | $ 1,060,088 | $ 1,085,030 | $ 1,137,398 |

The County's total long-term bonds decreased by $52,368,000 during the current fiscal year due primarily to principal payments made in 2010 (see ***Note 8*** for details).

The County maintains an Aaa/AAA credit rating from each of the three rating agencies that review public sector debt. Additional information regarding Gwinnett County's long-term debt can be found in ***Note 8*** on pages 77 – 84 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is $2,664,736,000 which is significantly in excess of the County's net outstanding general obligation debt of $29,485,000.

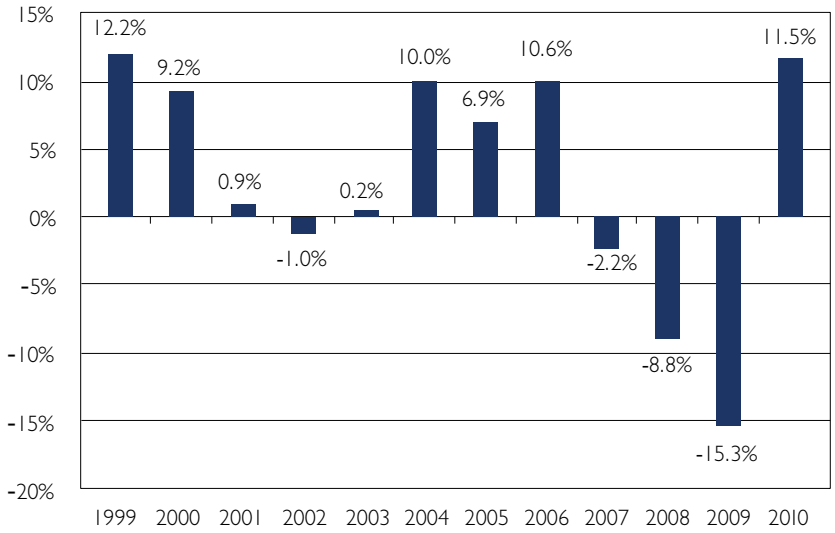
## Economic Factors and Next Year's Budgets and Rates

After the financial turmoil experienced at all levels in 2009, in 2010 the economy began to show signs of a slow and methodical recovery. Many local economic indicators remain low compared to history; however, Gwinnett's high tech economic base and strength in logistics and distribution should help the County recovery earlier than most. Consider the following:

- The County has added approximately 2,100 jobs in the first three quarters of 2010.
- The average unemployment rate for Gwinnett was 9.2 percent in 2010 – which is lower than the State's rate of 10.2 percent.
- For the first time since 2006, SPLOST revenues rose 11.5 percent in 2010, demonstrating a shift in consumer sentiment and confidence.

For more information about the Gwinnett economy, you can read our Gwinnett Economic Indicators Report, or follow us on Facebook at Gwinnett Economics or @GwinnettEcon on Twitter.

**Gwinnett County SPLOST**
**(Percent Change in Annual Collections)**

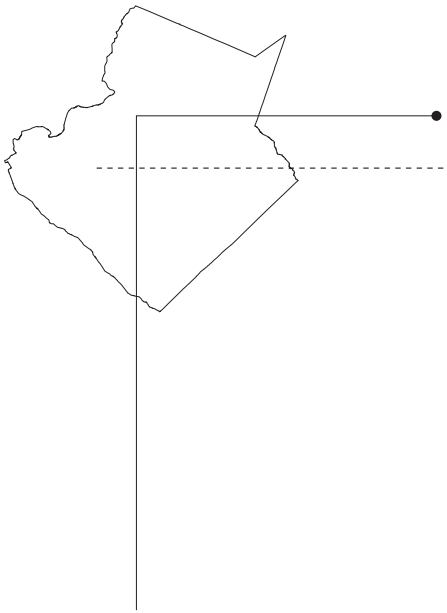


A challenge facing the 2011 budget process and future budgets relates to the condition of the digest. In 2011, Gwinnett County will continue to address the financial challenges arising from the continued economic decline and the related reduction in the ad valorem tax digest. The declining digest represents a decrease in revenue needed to fund expenses. More than one-third (36 percent) of the total revenue for all operating funds and more than two-thirds (69 percent) of the General Fund revenue is derived from property taxes. On December 1, 2009, the County approved the 2009 final millage rate, representing an increase of 2.28 mills over the 2008 millage rate. The tax bills for the increase in the 2009 millage rate were issued in March 2010. This one-time revenue billing generated more than $50 million for the General Fund and more than $5 million for the Recreation Fund. Due to the condition of the housing market, Gwinnett County's tax digest (40 percent assessed value) decreased by more than $3 billion in 2010. While the County has benefitted from the increased millage rate and the one-time billing in 2010, the ad valorem digest is projected to continue to decline through at least 2012. The millage rate for 2010 was 13.25, which is 11.4 percent lower than the 1996 millage rate of 14.95.

The 2011 budget was developed within the framework of the County's five-year financial plan. The total budget, including capital funds, is $1,314,929,720. The operating budget is $977,570,780 with a capital budget of $337,358,940. The 2012 – 2016 Capital Plan is $1,127,373,854. In this challenging economic time, the 2011 budget process focused on: maintaining the delivery of core services; no new or expanded programs unless mandated by state legislation; implementation of **Engage Gwinnett** recommendations; and evaluation of programs and services provided in an effort to reduce cost, streamline operations, and gain efficiencies and effectiveness.

## Requests For Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Services, Gwinnett County, 75 Langley Drive, Lawrenceville, GA 30046.



# basic financial statements

Governmentwide Financial Statements
Fund Financial Statements

## Statement of Net Assets
## December 31, 2010
**(in thousands of dollars)**

| | Primary Government | | | Component Units |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | |
| **ASSETS:** | | | | |
| Cash and cash equivalents | $ 402,316 | 97,903 | 500,219 | 18,963 |
| Investments | 278,900 | 3,000 | 281,900 | - |
| Receivables, net of allowance | 50,290 | 32,289 | 82,579 | 505 |
| Internal balances | (204) | 204 | - | - |
| Due from other governments | 37,866 | 1,555 | 39,421 | 1,058 |
| Due from primary government | - | - | - | 1,419 |
| Inventories | 2,038 | 2,715 | 4,753 | - |
| Prepaid items | 4,521 | 3,139 | 7,660 | - |
| Net pension asset | 109,001 | - | 109,001 | - |
| Net OPEB asset | 19,766 | - | 19,766 | - |
| Lease receivable from primary government | - | - | - | 96,420 |
| Restricted assets: | | | | |
| Cash and cash equivalents | - | 47,773 | 47,773 | - |
| Investments | - | 142,185 | 142,185 | - |
| Debt issuance costs | 595 | 5,956 | 6,551 | 841 |
| Other assets | - | 786 | 786 | - |
| Capital assets | | | | |
| Land and construction in progress | 784,470 | 360,813 | 1,145,283 | - |
| Other capital assets, net of depreciation | 1,596,509 | 3,276,150 | 4,872,659 | 1,158 |
| Total assets | 3,286,068 | 3,974,468 | 7,260,536 | 120,364 |
| **LIABILITIES:** | | | | |
| Accounts payable | 64,667 | 38,924 | 103,591 | 2,653 |
| Retainage payable | - | 8,357 | 8,357 | - |
| Other accrued payables | 4,798 | 993 | 5,791 | 673 |
| Customer deposits | - | 3,605 | 3,605 | - |
| Accrued interest payable to component unit | 1,419 | 18,649 | 20,068 | - |
| Due to others | 722 | 494 | 1,216 | - |
| Due to other governments | - | - | - | 20 |
| Unearned revenue | - | 40,857 | 40,857 | - |
| Noncurrent liabilities: | | | | |
| Due within one year | 29,604 | 48,590 | 78,194 | 2,280 |
| Due in more than one year | 157,544 | 1,048,098 | 1,205,642 | 101,826 |
| Total liabilities | 258,754 | 1,208,567 | 1,467,321 | 107,452 |
| **NET ASSETS:** | | | | |
| Invested in capital assets, net of related debt | 2,220,825 | 2,591,610 | 4,812,435 | 1,087 |
| Restricted for: | | | | |
| Capital projects | 249,848 | - | 249,848 | - |
| Debt service | 33,980 | 37,072 | 71,052 | - |
| Health programs | - | - | - | 7,261 |
| Unrestricted | 522,661 | 137,219 | 659,880 | 4,564 |
| Total net assets | $ 3,027,314 | 2,765,901 | 5,793,215 | 12,912 |

The notes to the financial statements are an integral part of this statement.

## Statement of Activities
## Year Ended December 31, 2010
**(in thousands of dollars)**

| Functions/Programs | Expenses | Indirect Expense Allocation | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities | Primary Government: Business-Type Activities | Primary Government: Total | Component Units |
|---|---|---|---|---|---|---|---|---|---|
| Primary Government: | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| General government | $ 104,831 | (8,178) | 18,301 | 2,497 | 1,114 | (74,741) | - | (74,741) | - |
| Public safety | 188,813 | 10 | 23,093 | 1,724 | 2,000 | (162,006) | - | (162,006) | - |
| Judiciary | 113,089 | - | 31,174 | 2,619 | - | (79,296) | - | (79,296) | - |
| Public works | 55,495 | 11 | 6,256 | 9,481 | 8,021 | (31,748) | - | (31,748) | - |
| Health and welfare | 11,528 | - | 137 | 145 | - | (11,246) | - | (11,246) | - |
| Culture and recreation | 67,577 | 1,916 | 4,499 | 479 | 47 | (64,468) | - | (64,468) | - |
| Housing and development | 25,374 | - | 8,818 | 16,794 | - | 238 | - | 238 | - |
| Tourism | 1,760 | - | - | - | - | (1,760) | - | (1,760) | - |
| Development Authority | 6,675 | - | - | - | - | (6,675) | - | (6,675) | - |
| Interest on long-term debt | 2,661 | - | - | - | - | (2,661) | - | (2,661) | - |
| Total Governmental Activities | 577,803 | (6,241) | 92,278 | 33,739 | 11,182 | (434,363) | - | (434,363) | - |
| Business Type Activities: | | | | | | | | | |
| Water and Sewer | 204,309 | 5,531 | 240,966 | - | 17,217 | - | 48,343 | 48,343 | - |
| Airport | 1,757 | 54 | 827 | - | 10 | - | (974) | (974) | - |
| Solid Waste | 20,910 | - | 20,740 | - | - | - | (170) | (170) | - |
| Storm Water | 27,419 | 613 | 29,973 | 106 | 479 | - | 2,526 | 2,526 | - |
| Transit | 15,490 | 43 | 4,274 | 5,634 | 910 | - | (4,715) | (4,715) | - |
| Total Business Type Activities | 269,885 | 6,241 | 296,780 | 5,740 | 18,616 | - | 45,010 | 45,010 | - |
| Total Primary Government | $ 847,688 | - | 389,058 | 39,479 | 29,798 | (434,363) | 45,010 | (389,353) | - |
| Component Units | $ 62,331 | - | 8,985 | 18,939 | - | - | - | - | (34,407) |
| General revenues: | | | | | | | | | |
| Property taxes | | | | | | $ 363,744 | - | 363,744 | - |
| Sales taxes | | | | | | 128,594 | - | 128,594 | - |
| Hotel motel taxes | | | | | | 6,057 | - | 6,057 | - |
| Insurance premium tax | | | | | | 21,930 | - | 21,930 | - |
| Business taxes | | | | | | 16,560 | - | 16,560 | - |
| Other taxes | | | | | | 5,126 | - | 5,126 | - |
| Contribution from development authority | | | | | | 4,690 | - | 4,690 | - |
| Lease interest income – development authority | | | | | | - | - | - | 7,526 |
| Intergovernmental revenue from primary government, not restricted for specific programs | | | | | | - | - | - | 24,290 |
| Intergovernmental revenue from State of Georgia not restricted for specific programs | | | | | | - | - | - | 565 |
| Investment income | | | | | | 6,485 | 346 | 6,831 | 37 |
| Miscellaneous | | | | | | 10,093 | 7,634 | 17,727 | 125 |
| Total general revenues | | | | | | 563,279 | 7,980 | 571,259 | 32,543 |
| Transfers | | | | | | (4,892) | 4,892 | - | - |
| Total general revenues and transfers | | | | | | 558,387 | 12,872 | 571,259 | 32,543 |
| Change in net assets | | | | | | 124,024 | 57,882 | 181,906 | (1,864) |
| Net Assets – beginning | | | | | | 2,903,290 | 2,708,019 | 5,611,309 | 14,776 |
| Net Assets – ending | | | | | | $ 3,027,314 | 2,765,901 | 5,793,215 | 12,912 |

The notes to the financial statements are an integral part of this statement.

## Governmental Funds Balance Sheet December 31, 2010 (in thousands of dollars)

| | General | Other Capital Projects | 2001 Sales Tax | 2005 Sales Tax | 2009 Sales Tax | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|---|
| **ASSETS:** | | | | | | | |
| Cash and cash equivalents | $ 165,964 | 27,439 | 3,880 | 11,966 | 54,987 | 82,221 | 346,457 |
| Investments | - | 31,649 | 16,179 | 113,717 | 49,104 | 23,250 | 233,899 |
| Receivables, net of allowance: | | | | | | | |
| Taxes | 30,720 | - | - | - | - | 4,031 | 34,751 |
| Accounts | 5,956 | 425 | 823 | 881 | 2,316 | 4,602 | 15,003 |
| Due from other governments | 22,609 | - | - | - | 13,601 | - | 36,210 |
| Inventories | 1,261 | - | - | - | - | 168 | 1,429 |
| Prepaid items | 4,434 | - | - | - | 63 | 12 | 4,509 |
| Total assets | $ 230,944 | 59,513 | 20,882 | 126,564 | 120,071 | 114,284 | 672,258 |
| **LIABILITIES AND FUND BALANCES:** | | | | | | | |
| Accounts payable | $ 32,186 | 1,921 | 1,620 | 6,749 | 9,016 | 4,246 | 55,738 |
| Payroll payable | 4,331 | - | - | 184 | - | 175 | 4,690 |
| Other accrued | - | - | 21 | 79 | - | 8 | 108 |
| Due to others | 634 | 88 | - | - | - | - | 722 |
| Deferred revenue | 45,840 | 30 | - | - | - | 3,130 | 49,000 |
| Total liabilities | 82,991 | 2,039 | 1,641 | 7,012 | 9,016 | 7,559 | 110,258 |
| Fund balances: | | | | | | | |
| Reserved for: | | | | | | | |
| Inventories | 1,261 | - | - | - | - | 168 | 1,429 |
| Prepaid items | 4,434 | - | - | - | 63 | 12 | 4,509 |
| Tourism | - | - | - | - | - | 4,843 | 4,843 |
| Total reserved fund balances | 5,695 | - | - | - | 63 | 5,023 | 10,781 |
| Unreserved, designated for, reported in: | | | | | | | |
| General fund (operating stability) | 70,180 | - | - | - | - | - | 70,180 |
| General fund (hospital authority) | 5,000 | - | - | - | - | - | 5,000 |
| General fund (capital) | 15,800 | - | - | - | - | - | 15,800 |
| General fund (budget stabilization reserve) | 9,000 | - | - | - | - | - | 9,000 |
| Tourism (parking deck) | - | - | - | - | - | 220 | 220 |
| Unreserved, undesignated reported in: | | | | | | | |
| Special revenue funds | - | - | - | - | - | 67,502 | 67,502 |
| Capital project funds | - | 57,474 | 19,241 | 119,552 | 110,992 | - | 307,259 |
| Debt service funds | - | - | - | - | - | 33,980 | 33,980 |
| General fund | 42,278 | - | - | - | - | - | 42,278 |
| Total unreserved fund balances | 142,258 | 57,474 | 19,241 | 119,552 | 110,992 | 101,702 | 551,219 |
| Total fund balances | 147,953 | 57,474 | 19,241 | 119,552 | 111,055 | 106,725 | 562,000 |
| Total liabilities and equity | $ 230,944 | 59,513 | 20,882 | 126,564 | 120,071 | 114,284 | 672,258 |

The notes to the financial statements are an integral part of this statement.

## Reconciliation of the Balance Sheet to the Statement of Net Assets Governmental Activities December 31, 2010

**(in thousands of dollars)**

| | | |
|---|---|---|
| Fund balances – total governmental funds | | $ 562,000 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Net pension asset is not recorded on the fund financial statements | | 109,001 |
| Net OPEB asset is not recorded on the fund financial statements | | 19,766 |
| Capital assets are not reported in fund statements | | |
| Capital assets used in government activities are not financial resources and therefore are not reported in the government funds | 2,370,996 | |
| Capital assets used in Internal service funds are reported in the governmental activities column of the governmentwide statement of net assets | 9,983 | 2,380,979 |
| Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds | | |
| Deferred issuance costs | | 595 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds | | |
| General obligation bonds payable | (63,465) | |
| Premiums | (269) | |
| Lease payable to component unit | (96,420) | |
| Accrued leave | (15,600) | |
| Estimated claims payable | (11,394) | (187,148) |
| Revenue deferred in the governmental funds due to availability criteria is susceptible to full accrual on the governmentwide statements | | |
| Property tax | 26,355 | |
| Insurance premium tax | 22,589 | |
| Other | 56 | |
| | | 49,000 |
| Interest payable on capital lease to component unit is not accrued in the fund statements | | (1,419) |
| Internal service funds are used to charge the cost of group insurance, risk management and fleet management services to individual funds. Assets and liabilities of these funds are included in governmental activities in the statement of net assets. | | |
| Internal service funds net assets | 93,187 | |
| Less capital assets already accounted for above | (9,983) | |
| Plus accrued leave already accounted for above | 147 | |
| Plus claims payable already accounted for above | 11,393 | |
| Less amount due to enterprise funds | (204) | 94,540 |
| Net assets of governmental activities | | $ 3,027,314 |

The notes to the financial statements are an integral part of this statement.

## Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances Year Ended December 31, 2010

**(in thousands of dollars)**

| | General | Other Capital Projects | 1997 Sales Tax | 2001 Sales Tax | 2005 Sales Tax | 2009 Sales Tax | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | | | |
| Taxes | $ 420,089 | - | - | - | - | 128,594 | 53,299 | 601,982 |
| Permits and licenses | 8,266 | - | - | - | - | - | - | 8,266 |
| Intergovernmental | 2,957 | 564 | - | 2,574 | 1,619 | 3,912 | 31,036 | 42,662 |
| Charges for services | 39,050 | 67 | - | - | - | - | 23,896 | 63,013 |
| Fines and forfeitures | 13,717 | 258 | - | - | - | - | 7,078 | 21,053 |
| Investment income | 417 | - | 9 | 1,000 | 5,390 | 743 | 355 | 7,914 |
| Change in fair market value of investments | (294) | (2) | - | (540) | (876) | (126) | (4) | (1,842) |
| Miscellaneous | 4,380 | 422 | 16 | 23 | 243 | 95 | 6,828 | 12,007 |
| Total revenues | 488,582 | 1,309 | 25 | 3,057 | 6,376 | 133,218 | 122,488 | 755,055 |
| **EXPENDITURES:** | | | | | | | | |
| Current operating: | | | | | | | | |
| General government | 93,474 | - | - | - | - | - | 1 | 93,475 |
| Public safety | 164,856 | - | - | - | - | - | 11,232 | 176,088 |
| Judiciary | 118,303 | - | - | - | - | - | 1,795 | 120,098 |
| Public works | 13,092 | - | - | - | - | - | 6,268 | 19,360 |
| Health and welfare | 12,410 | - | - | - | - | - | 63 | 12,473 |
| Culture and recreation | 20,417 | - | - | - | - | - | 34,060 | 54,477 |
| Housing and development | 8,332 | - | - | - | - | - | - | 8,332 |
| Tourism | - | - | - | - | - | - | 1,760 | 1,760 |
| Development authority | - | - | - | - | - | - | 8,905 | 8,905 |
| Grant programs | - | - | - | - | - | - | 22,953 | 22,953 |
| Capital outlay | 84 | 10,709 | - | 18,889 | 50,519 | 53,530 | 4,717 | 138,448 |
| Debt service | - | - | - | - | - | - | 16,455 | 16,455 |
| Intergovernmental | - | - | - | - | 54 | 19,259 | - | 19,313 |
| Total expenditures | 430,968 | 10,709 | - | 18,889 | 50,573 | 72,789 | 108,209 | 692,137 |
| Revenues in excess of (less than) expenditures | 57,614 | (9,400) | 25 | (15,832) | (44,197) | 60,429 | 14,279 | 62,918 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | | | |
| Transfers in | 754 | 20,784 | - | - | - | 1,656 | 11,301 | 34,495 |
| Transfers out | (28,585) | - | (1,209) | - | - | | (9,784) | (39,578) |
| Other financing sources (uses), net | (27,831) | 20,784 | (1,209) | - | - | 1,656 | 1,517 | (5,083) |
| Net change in fund balances | 29,783 | 11,384 | (1,184) | (15,832) | (44,197) | 62,085 | 15,796 | 57,835 |
| Fund balance - January 1 as restated | 118,170 | 46,090 | 1,184 | 35,073 | 163,749 | 48,970 | 90,929 | 504,165 |
| Fund balance - December 31 | $ 147,953 | 57,474 | - | 19,241 | 119,552 | 111,055 | 106,725 | 562,000 |

The notes to the financial statements are an integral part of this statement.

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities Year Ended December 31, 2010

**(in thousands of dollars)**

| | | |
|---|---|---|
| Net change in fund balances – total governmental funds | | $ 57,835 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Capital outlays reported in the governmental funds exceed depreciation expense recorded in the statement of activities as follows: | | |
| Capital Expenditures – General | 138,448 | |
| Capital Expenditures reclassed as expense | (15,188) | |
| Depreciation Expense – General Capital Assets | (67,456) | |
| Adjustment | | 55,804 |
| Contributions of capital assets are not recorded in governmental funds | | 5,940 |
| The loss on disposition of capital assets is not reported in the fund statements | | (1,314) |
| Retirement of bonded debt is reported as an expenditure in the fund statements but represents a reduction of liability balances on the governmentwide statement of net assets. | | 13,845 |
| The current years increase to the net pension asset decreases net expenses of pensionable functions on the governmentwide statements | | 29,131 |
| The current years increase in the net OPEB asset decreases net expenses of the functions on the governmentwide statements | | 11,742 |
| Issuance costs, accounting loss on defeasance of debt and premium on bonds payable are reported as expenditures or reduction of related expenditures on the fund statements, but are recorded as deferred charges or premiums on the accrual based government-wide statements and amortized as follows: | | |
| Amortization of deferred issuance costs | | (61) |
| Amortization of deferred loss on defeasance | | (91) |
| Amortization of deferred premium on bonds | | 77 |
| Accrued interest payable is not included on the fund financial statements | | 140 |
| Lease payments to the Development Authority are reported as expenditures in the fund statement and as a reduction of the lease payable in the governmentwide statements | | 6,780 |
| Internal Service funds are used to charge the cost of insurance and fleet activities to individual funds. A part of the net revenue (expense) of the internal service funds is reported with governmental activities. | | 1,072 |
| Accrued expenses related to compensated absences are not reported in the fund statements | | 3,130 |
| Some revenue earned is deferred in the governmental funds due to availability criteria. | | (60,006) |
| Change in net assets of governmental activities | | $ 124,024 |

The notes to the financial statements are an integral part of this statement.

## General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) Year Ended December 31, 2010

**(in thousands of dollars)**

| | Original Budget | Final Budget | Actual (non-GAAP budget basis) | Variance-positive (negative) |
|---|---|---|---|---|
| **REVENUES:** | | | | |
| Taxes | $ 435,413 | 413,586 | 420,089 | 6,503 |
| Permits and licenses | 7,510 | 7,376 | 8,266 | 890 |
| Intergovernmental | 2,854 | 2,912 | 2,957 | 45 |
| Charges for service | 47,107 | 43,997 | 39,050 | (4,947) |
| Fines and forfeitures | 13,183 | 13,811 | 13,717 | (94) |
| Investment income | 1,000 | 200 | 417 | 217 |
| Miscellaneous | 3,775 | 3,988 | 4,380 | 392 |
| Total Revenues | 510,842 | 485,870 | 488,876 | 3,006 |
| **EXPENDITURES:** | | | | |
| Current operating: | | | | |
| General Government: | | | | |
| County administrator | 5,182 | 5,182 | 4,191 | 991 |
| Law | 949 | 949 | 847 | 102 |
| Support services | 8,266 | 8,218 | 7,731 | 487 |
| Information technology | 21,019 | 20,876 | 20,137 | 739 |
| Financial services | 11,063 | 11,365 | 10,450 | 915 |
| Human resources | 2,829 | 3,049 | 2,677 | 372 |
| Tax commissioner | 9,311 | 9,400 | 9,041 | 359 |
| Total General Government | 58,619 | 59,039 | 55,074 | 3,965 |
| Public Safety: | | | | |
| Police services | 84,174 | 84,106 | 79,871 | 4,235 |
| Correctional services | 12,721 | 12,497 | 11,402 | 1,095 |
| Fire and emergency services | 75,808 | 74,083 | 71,010 | 3,073 |
| Total Public Safety | 172,703 | 170,686 | 162,283 | 8,403 |
| Judiciary: | | | | |
| Courts | 30,255 | 37,162 | 35,502 | 1,660 |
| District attorney | 7,819 | 7,969 | 7,835 | 134 |
| Probation | 11 | 11 | 11 | - |
| Sheriff | 67,129 | 68,507 | 67,842 | 665 |
| Solicitor | 4,271 | 3,759 | 3,320 | 439 |
| Recorders | 1,371 | 1,416 | 1,355 | 61 |
| Total Judiciary | 110,856 | 118,824 | 115,865 | 2,959 |
| Public Works | 14,571 | 14,941 | 12,924 | 2,017 |
| Health and Welfare: | | | | |
| Physical health | 1,490 | 1,490 | 1,490 | - |
| Indigent medical care | 450 | 450 | 450 | - |
| Various subsidized agencies | 2,526 | 2,537 | 2,532 | 5 |
| General community services | 9,388 | 9,548 | 6,682 | 2,866 |
| Total Health and Welfare | 13,854 | 14,025 | 11,154 | 2,871 |
| Culture and Recreation: | | | | |
| Library | 19,797 | 19,799 | 19,688 | 111 |
| Total Culture and Recreation | 19,797 | 19,799 | 19,688 | 111 |
| Housing and Development: | | | | |
| Planning and development | 6,834 | 6,579 | 5,845 | 734 |
| Total Housing and Development | 6,834 | 6,579 | 5,845 | 734 |
| Miscellaneous | 93,031 | 53,136 | 48,135 | 5,001 |
| Total Expenditures | 490,265 | 457,029 | 430,968 | 26,061 |
| Revenues in excess (less than) of expenditures | 20,577 | 28,841 | 57,908 | 29,067 |
| **OTHER FINANCING SOURCES (USES):** | | | | |
| Transfers in | 153 | 743 | 754 | 11 |
| Transfers out | (20,010) | (28,585) | (28,585) | - |
| Other financing sources (uses), net | (19,857) | (27,842) | (27,831) | 11 |
| Revenues and other financing sources in excess of expenditures and other financing uses | 720 | 999 | 30,077 | 29,078 |
| Fund balance allocation | (720) | (999) | - | 999 |
| Fund balance – January 1 | | | 118,170 | 118,170 |
| Fund balance – December 31 | $ - | - | 148,247 | 148,247 |

The notes to the financial statements are an integral part of this statement.

## Proprietary Funds
## Statement of Net Assets
## December 31, 2010
**(in thousands of dollars)**

| | Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water and Sewerage | Storm Water | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| **ASSETS:** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 33,458 | 22,636 | 41,809 | 97,903 | 55,859 |
| Investments | 3,000 | - | - | 3,000 | 45,001 |
| Receivables, net of allowance: | | | | | |
| Accounts | 26,840 | 2,118 | 3,331 | 32,289 | 536 |
| Due from other governments | 1,551 | 4 | - | 1,555 | 1,656 |
| Inventories | 2,715 | - | - | 2,715 | 609 |
| Prepaid items | 3,125 | 14 | - | 3,139 | 12 |
| Total current assets | 70,689 | 24,772 | 45,140 | 140,601 | 103,673 |
| Noncurrent assets: | | | | | |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 47,773 | - | - | 47,773 | - |
| Investments | 129,299 | - | 12,886 | 142,185 | - |
| Total restricted assets | 177,072 | - | 12,886 | 189,958 | - |
| Land and Construction in progress | 337,892 | 7,949 | 14,972 | 360,813 | - |
| Other capital assets, net of depreciation | 2,817,224 | 418,998 | 39,928 | 3,276,150 | 9,983 |
| Debt issuance costs | 5,956 | - | - | 5,956 | - |
| Other assets | 786 | - | - | 786 | - |
| Total noncurrent assets | 3,338,930 | 426,947 | 67,786 | 3,833,663 | 9,983 |
| Total assets | 3,409,619 | 451,719 | 112,926 | 3,974,264 | 113,656 |
| **LIABILITIES:** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 31,043 | 2,709 | 5,172 | 38,924 | 8,929 |
| Payroll payable | 823 | 121 | 45 | 989 | - |
| Retainage payable | 8,310 | 47 | - | 8,357 | - |
| Other accrued | - | - | 4 | 4 | - |
| Estimated claims payable-current | - | - | - | - | 5,999 |
| Due to others | 47 | 447 | - | 494 | - |
| Notes payable-current | 2,051 | - | - | 2,051 | - |
| Accumulated leave benefits - current | 1,079 | 127 | 28 | 1,234 | 95 |
| Unearned revenue | 110 | - | 40,747 | 40,857 | - |
| Total current liabilities | 43,463 | 3,451 | 45,996 | 92,910 | 15,023 |
| Noncurrent liabilities: | | | | | |
| Payable from restricted assets: | | | | | |
| Customer deposits | 3,605 | - | - | 3,605 | - |
| Accrued interest | 18,649 | - | - | 18,649 | - |
| Revenue bonds payable-current | 45,305 | - | - | 45,305 | - |
| Total payable from restricted assets | 67,559 | - | - | 67,559 | - |
| Notes payable-noncurrent | 49,144 | 5,353 | - | 54,497 | - |
| Revenue bonds payable-noncurrent | 992,919 | - | - | 992,919 | - |
| Estimated claims payable-noncurrent | - | - | - | - | 5,394 |
| Accumulated leave benefits-noncurrent | 597 | 70 | 15 | 682 | 52 |
| Total noncurrent liabilities | 1,042,660 | 5,423 | 15 | 1,048,098 | 5,446 |
| Total liabilities | 1,153,682 | 8,874 | 46,011 | 1,208,567 | 20,469 |
| **NET ASSETS:** | | | | | |
| Invested in capital assets, net of related debt | 2,115,116 | 421,594 | 54,900 | 2,591,610 | 9,983 |
| Restricted for debt service | 37,072 | - | - | 37,072 | - |
| Unrestricted | 103,749 | 21,251 | 12,015 | 137,015 | 83,204 |
| Total net assets | $ 2,255,937 | 442,845 | 66,915 | 2,765,697 | 93,187 |
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds. | | | | 204 | |
| Net assets of business type activities | | | | $ 2,765,901 | |

The notes to the financial statements are an integral part of this statement.

## Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets Year Ended December 31, 2010

**(in thousands of dollars)**

| | Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water and Sewerage | Storm Water | Other Enterprise Funds | Total | Internal Service Funds |
| **OPERATING REVENUES:** | | | | | |
| Residential and commercial service | $ 232,764 | - | - | 232,764 | - |
| Wholesale service | 7,091 | - | - | 7,091 | - |
| Public fire protection charges | 648 | - | - | 648 | - |
| Connection charges | 463 | - | - | 463 | - |
| Operating lease income and rental income from individual hangars | - | - | 827 | 827 | - |
| Charges to other funds | - | - | - | - | 58,569 |
| Employee contributions | - | - | - | - | 9,059 |
| Intergovernmental | 6,617 | 406 | 6,554 | 13,577 | - |
| User fees and charges | - | 29,973 | 25,014 | 54,987 | - |
| Miscellaneous | 6,348 | 2,561 | 153 | 9,062 | 1,521 |
| Total operating revenues | 253,931 | 32,940 | 32,548 | 319,419 | 69,149 |
| **OPERATING EXPENSES:** | | | | | |
| Water production | 15,161 | - | - | 15,161 | - |
| Distribution and collection | 26,868 | - | - | 26,868 | - |
| Engineering | 4,587 | - | - | 4,587 | - |
| Reclamation | 27,928 | - | - | 27,928 | - |
| Vehicle maintenance and repair | - | - | - | - | 1,235 |
| Benefit claims | - | - | - | - | 31,062 |
| Insurance premiums | - | - | - | - | 22,751 |
| Depreciation and amortization | 68,424 | 17,004 | 5,046 | 90,474 | 5,061 |
| Transit operations | - | - | 11,836 | 11,836 | - |
| Development Authority | - | - | 670 | 670 | - |
| General and administrative | 28,916 | 9,983 | 20,522 | 59,421 | 8,382 |
| Total operating expenses | 171,884 | 26,987 | 38,074 | 236,945 | 68,491 |
| Operating income (loss) | 82,047 | 5,953 | (5,526) | 82,474 | 658 |
| **NONOPERATING REVENUES (EXPENSES):** | | | | | |
| Interest income | 402 | 19 | 9 | 430 | 412 |
| Investment Income | - | - | (84) | (84) | - |
| Interest expense | (36,407) | - | (231) | (36,638) | - |
| Loss on disposal of capital assets | (1,804) | (1,073) | (1,428) | (4,305) | - |
| Total nonoperating revenues (expenses) | (37,809) | (1,054) | (1,734) | (40,597) | 412 |
| Income (loss) before transfers and contributions | 44,238 | 4,899 | (7,260) | 41,877 | 1,070 |
| Capital contributions | 10,745 | 179 | - | 10,924 | - |
| Transfers in | 74 | 2,436 | 2,414 | 4,924 | 336 |
| Transfers out | (90) | (51) | (36) | (177) | - |
| Change in net assets | 54,967 | 7,463 | (4,882) | 57,548 | 1,406 |
| Net Assets – January 1 | 2,200,970 | 435,382 | 71,797 | | 91,781 |
| Net Assets – December 31 | $ 2,255,937 | 442,845 | 66,915 | | 93,187 |
| Adjustment to reflect consolidation of internal service fund activities related to enterprise funds | | | | 334 | |
| Change in net assets of business type activities | | | | $ 57,882 | |

The notes to the financial statements are an integral part of this statement.

## Proprietary Funds
## Statement of Cash Flows
## Year Ended December 31, 2010
**(in thousands of dollars)**

| | Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water and Sewerage | Storm Water | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| **Cash flows from operating activities:** | | | | | |
| Cash received from customers | $ 254,839 | 33,152 | 71,659 | 359,650 | 68,307 |
| Cash payments to suppliers for goods and services | (55,771) | (9,784) | (29,350) | (94,905) | (18,959) |
| Cash payments to employees for services | (36,159) | (4,690) | (808) | (41,657) | (3,293) |
| Claims and premiums paid | - | - | - | - | (36,453) |
| Net cash flows provided by operating activities | 162,909 | 18,678 | 41,501 | 223,088 | 9,602 |
| **Cash flows from noncapital financial activities:** | | | | | |
| Transfers from other funds | 74 | 2,436 | 2,414 | 4,924 | 336 |
| Transfers (to) other funds | (90) | (51) | (36) | (177) | - |
| Net cash provided/(required) by noncapital activities | (16) | 2,385 | 2,378 | 4,747 | 336 |
| **Cash flows from capital and related financing activities:** | | | | | |
| Acquisition and construction of capital assets | (94,054) | (16,621) | (1,087) | (111,762) | (3,795) |
| Proceeds from notes payable | 5,793 | 381 | - | 6,174 | - |
| Proceeds from sale of assets | - | 11 | - | 11 | - |
| Principal payments – revenue bonds | (39,315) | - | - | (39,315) | - |
| Principal payments – notes payable | (1,834) | - | - | (1,834) | - |
| Capital lease payments | - | - | (822) | (822) | - |
| Interest paid | (44,455) | - | (231) | (44,686) | - |
| Capital contributed by others | 6,688 | - | - | 6,688 | - |
| Payments of contract retention | (10,379) | (88) | - | (10,467) | - |
| Contract retainage withheld | 5,794 | 70 | - | 5,864 | - |
| Net cash provided/(required) by capital and related financing activities | (171,762) | (16,247) | (2,140) | (190,149) | (3,795) |
| **Cash flows from investing activities:** | | | | | |
| Sale of investments | 64,196 | - | - | 64,196 | (34,411) |
| Purchase of investments | (46,837) | - | (12,886) | (59,723) | - |
| Interest on investments | 402 | 19 | (75) | 346 | 412 |
| Net cash provided/(required) by investing activities | 17,761 | 19 | (12,961) | 4,819 | (33,999) |
| Net increase (decrease) in cash and cash equivalents | 8,892 | 4,835 | 28,778 | 42,505 | (27,856) |
| Cash and cash equivalents at beginning of year | 72,339 | 17,801 | 13,031 | 103,171 | 83,715 |
| Cash and cash equivalents at end of year | $ 81,231 | 22,636 | 41,809 | 145,676 | 55,859 |
| **Reconciliation of operating income to net cash provided by operating activities:** | | | | | |
| **Cash flows from operating activities:** | | | | | |
| Operating income (loss) | $ 82,047 | 5,953 | (5,526) | 82,474 | 658 |
| Adjustments to reconcile operating income (loss) to net cash provided/ (required) by operating activities | | | | | |
| Depreciation | 69,154 | 17,002 | 5,046 | 91,202 | 5,061 |
| **Change in assets and liabilities:** | | | | | |
| (Increase) decrease in other assets | (2,411) | - | - | (2,411) | - |
| (Increase) decrease in receivables | 930 | 212 | (1,636) | (494) | (842) |
| (Increase) decrease in inventories | 354 | - | - | 354 | (116) |
| (Increase) decrease in prepaid items | - | (3) | - | (3) | (11) |
| Increase (decrease) in payables | 12,796 | (4,446) | 2,842 | 11,192 | 4,986 |
| Increase (decrease) in due from others | - | - | 40,747 | 40,747 | - |
| Increase (decrease) in other liabilities | - | - | 28 | 28 | (134) |
| Increase (decrease) in due to others | (21) | (47) | - | (68) | - |
| Increase (decrease) in deferred revenue | (22) | - | - | (22) | - |
| Increase (decrease) in payroll payables | 59 | 7 | - | 66 | - |
| Increase (decrease) in customer deposits | 23 | - | - | 23 | - |
| Net cash provided/(required) by operating activities | $ 162,909 | 18,678 | 41,501 | 223,088 | 9,602 |
| Non cash capital contributed by others | $ 4,263 | 179 | - | 4,442 | - |
| Non cash accretion on capital appreciation bonds | $ 793 | - | - | 793 | - |

The notes to the financial statements are an integral part of this statement.

## Fiduciary Funds – Statement of Fiduciary Net Assets December 31, 2010

**(in thousands of dollars)**

| | Agency Funds | Pension (and Other Employee Benefit) Trust Funds |
|---|---|---|
| **ASSETS:** | | |
| Cash and cash equivalents | $ 33,671 | 30,695 |
| Investments, at fair value: | | |
| US governmental treasuries | - | 71,321 |
| Asset backed securities | - | 13,511 |
| US governmental agencies | - | 35,771 |
| Commercial mortgage backed securities | - | 20,676 |
| Future contracts | - | 566 |
| Corporate bonds | - | 60,146 |
| Collateralized mortgage obligations | - | 12,807 |
| Corporate equities | - | 245,587 |
| Taxable municipal | - | 381 |
| International equities | - | 95,761 |
| Mutual funds invested in equities | - | 28,192 |
| Total investments | - | 584,719 |
| Securities lending collateral investment pool | - | 83,078 |
| Contributions receivable from employer | - | 29,350 |
| Prepaid Assets | - | 3,304 |
| Taxes receivable | 45,114 | - |
| Total | $ 78,785 | 731,146 |
| **LIABILITIES:** | | |
| Accounts payable | $ - | 1,266 |
| Liability for securities lending agreement | - | 83,078 |
| Due to others | 78,785 | - |
| Total | $ 78,785 | 84,344 |
| Net assets held in trust for pension | | 595,440 |
| Net assets held in trust for other employee benefits | | 51,362 |
| Total | | $ 646,802 |

*The notes to the financial statements are an integral part of this statement.*

**Pension (and Other Employee Benefit) Trust Funds**
**Statement of Changes in Fiduciary Net Assets**
**Year Ended December 31, 2010**
**(in thousands of dollars)**

| | | |
|---|---|---|
| **ADDITIONS** | | |
| Contributions: | | |
| Employer | $ | 87,787 |
| Employee | | 13,244 |
| Total contributions | | 101,031 |
| Investment Income: | | |
| Investment income | | 64,669 |
| Securities lending income | | 83 |
| Interest and dividends | | 14,292 |
| | | 79,044 |
| Less – Investment expense | | (2,376) |
| Securities lending expense | | (15) |
| Net investment income | | 76,653 |
| Total additions | | 177,684 |
| **DEDUCTIONS** | | |
| Benefits paid | | 47,797 |
| Insurance premiums | | 2,419 |
| Administrative expenses | | 1,527 |
| Total deductions | | 51,743 |
| Net increase | | 125,941 |
| Net assets held in trust for pension and other employee benefits: | | |
| Beginning of year | | 520,861 |
| End of year | $ | 646,802 |

The notes to the financial statements are an integral part of this statement.

## Component Units Combining Statement of Net Assets December 31, 2010

**(in thousands of dollars)**

| | Public Library | Development Authority | Health Department | Total |
|---|---|---|---|---|
| **ASSETS:** | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | $ 8,090 | 780 | 10,093 | 18,963 |
| Receivables, net of allowance | 436 | - | 69 | 505 |
| Lease receivable from primary government, current portion | - | 1,690 | - | 1,690 |
| Due from primary government | - | 1,419 | - | 1,419 |
| Due from other governments | 159 | - | 899 | 1,058 |
| Total current assets | 8,685 | 3,889 | 11,061 | 23,635 |
| Non-current Assets: | | | | |
| Lease receivable from primary government | - | 94,730 | - | 94,730 |
| Capital assets | | | | |
| Other capital assets, net of depreciation | 610 | - | 548 | 1,158 |
| Debt issuance costs | - | 841 | - | 841 |
| Total noncurrent assets | 610 | 95,571 | 548 | 96,729 |
| Total assets | 9,295 | 99,460 | 11,609 | 120,364 |
| **LIABILITIES:** | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 482 | 1,419 | 752 | 2,653 |
| Due to other governments | - | - | 20 | 20 |
| Accrued salaries and related payments | 673 | - | - | 673 |
| Total current liabilities | 1,155 | 1,419 | 772 | 3,346 |
| Noncurrent Liabilities: | | | | |
| Due within one year | 93 | 1,690 | 497 | 2,280 |
| Due in more than one year | 924 | 100,670 | 232 | 101,826 |
| Total noncurrent liabilities | 1,017 | 102,360 | 729 | 104,106 |
| Total liabilities | 2,172 | 103,779 | 1,501 | 107,452 |
| **NET ASSETS (DEFICIT):** | | | | |
| Invested in capital assets, net of related debt | 539 | - | 548 | 1,087 |
| Restricted – other | - | - | 7,261 | 7,261 |
| Unrestricted | 6,584 | (4,319) | 2,299 | 4,564 |
| Total net assets (deficit) | $ 7,123 | (4,319) | 10,108 | 12,912 |

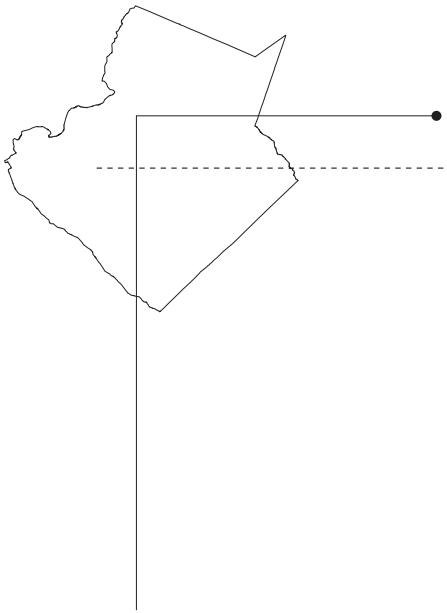
The notes to the financial statements are an integral part of this statement.

## Component Units Combining Statement of Activities Year Ended December 31, 2010

**(in thousands of dollars)**

| | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Public Library Total | Golf Course Commission Total | Development Authority Total | Health Department Total | Totals |
|---|---|---|---|---|---|---|---|---|---|
| Public library | $ 21,660 | 1,510 | 1,812 | - | (18,338) | - | - | - | (18,338) |
| Golf course commission | 4,989 | 664 | 171 | - | - | (4,154) | - | - | (4,154) |
| Development authority | 12,527 | 27 | - | - | - | - | (12,500) | - | (12,500) |
| Health department | 23,155 | 6,784 | 16,956 | - | - | - | - | 585 | 585 |
| Total component units | $ 62,331 | 8,985 | 18,939 | - | (18,338) | (4,154) | (12,500) | 585 | (34,407) |
| General Revenues: | | | | | | | | | |
| Lease interest income - development authority | | | | | - | - | 7,526 | - | 7,526 |
| Intergovernmental revenue from primary government, not restricted for specific programs | | | | | 18,963 | 5,327 | - | - | 24,290 |
| Intergovernmental revenue from State of Georgia, not restricted for specific programs | | | | | 565 | - | - | - | 565 |
| Investment income | | | | | 21 | - | 16 | - | 37 |
| Misc. items | | | | | - | - | - | 125 | 125 |
| Total general revenues | | | | | 19,549 | 5,327 | 7,542 | 125 | 32,543 |
| Change in net assets | | | | | 1,211 | 1,173 | (4,958) | 710 | (1,864) |
| Net Assets (Deficits) – beginning | | | | | 5,912 | (1,173) | 639 | 9,398 | 14,776 |
| Net Assets (Deficits) – ending | | | | | $ 7,123 | - | (4,319) | 10,108 | 12,912 |

The notes to the financial statements are an integral part of this statement.



# notes to the financial statements

## Notes to the Financial Statements

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## Note 1.

### Summary of Significant Accounting Policies

The financial statements of Gwinnett County, Georgia (the "County"), have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below:

**A. Reporting entity**

The County operates under a Commission-County Administrator form of government. As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards N°. 14, "The Financial Reporting Entity," the component units' financial statements have been included as blended or discretely presented component units. Blended component units, although legally separate entities, are in substance part of the County's operations and so financial data from these units are combined with the financial data of the primary government. Each discretely presented component unit, on the other hand, is reported separately in the governmentwide financial statements to emphasize that it is legally separate from the County. The component units' financial information disclosed within the governmentwide financial statements reflects the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government's reporting entity.

**Included with the reporting entity as Blended Component Units:**

The **Airport Authority,** consisting of a five-member board, is appointed by the governing authority of the County. The Airport Authority provides a means to issue revenue bonds to acquire, construct, equip, maintain, and improve the airport facilities. Although it is legally separate from the County, the Airport Authority is reported as if it were part of the primary government because its sole purpose is to finance, construct, equip, and maintain the County airport facility. At December 31, 2010, the Authority had no assets, liabilities, or fund equity. In addition, during 2010, the Authority had no revenues or expenses.

The **Recreation Authority,** consisting of a nine-member board, is appointed by the governing authority of the County. The Recreation Authority provides a means to issue revenue bonds for park facilities. Although it is legally separate from the County, the Recreation Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand County park facilities.

The **Water and Sewerage Authority,** consisting of a five-member board, is appointed by the governing authority of the County. The Water and Sewerage Authority provides a means to issue revenue bonds for water and sewer facilities. Although it is legally separate from the County, the Water and Sewerage Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand County water treatment and transmission facilities.

The **Stormwater Authority,** consisting of a seven-member board, is appointed by the governing authority of the County. The Stormwater Authority provides a means to issue revenue bonds for stormwater infrastructure. Although it is legally separate from the County, the Stormwater Authority is reported as if it were a part of the primary government because its sole purpose is to acquire, construct, expand, improve, and maintain stormwater management systems and facilities for the County.

The **Public Facilities Authority,** consisting of a three-member board, is appointed by the governing authority of the County. The Public Facilities Authority provides a means to issue revenue bonds. Although it is legally separate from the County, the Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, expand and maintain County fire station facilities. At December 31, 2010, the Authority had no assets, liabilities, or fund equity. In addition, during 2010, the Authority had no revenues or expenses.

Complete financial statements of the individual blended component units may be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

**Included with the reporting entity as Discretely Presented Component Unit:**
The **Gwinnett County Public Library,** (the "Library"), operates the County's public libraries for the citizens of the County. The Library Board consists of five members appointed by the Gwinnett County Board of Commissioners. Although the County does not have the authority to approve or modify the Library's operational or capital budgets, it does have the ability to control the amount of the funding the County provides. Such funding is significant to the overall operations of the Library. Gwinnett County owns all Library land and building capital assets.

The Library operates on a fiscal year end of June 30. The financial information presented for this discretely presented component unit is as of June 30, 2010.

Complete financial statements of the Library may be obtained at the entity's administrative office at the following address:

Gwinnett County Public Library
1001 Lawrenceville Highway
Lawrenceville, GA 30045

The **Springbrook Golf Course Commission** (the "Commission") was formed in May 2000 to operate the Springbrook Golf Course. The Commission consisted of a five-member board appointed by the governing authority of the County. In December 2010, Gwinnett County Board of Commissioners approved an Intergovernmental Agreement between Gwinnett County and the Springbrook Golf Course Commission which conveyed the Golf Course to Gwinnett County in exchange for the forgiveness

of the Promissory Note in the amount of $3,310,455 as well as full satisfaction by Gwinnett County for the Commission's outstanding United Community Bank Loans in the amount of $1,770,000. As a result, as of December 31, 2010, the Commission had ceased operation.

Complete financial statements of the Springbrook Golf Course Commission may be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

The **Development Authority of Gwinnett County** consists of a seven-member board appointed by the governing authority of the County. The Development Authority's sole purpose is to finance the acquisition or construction of industrial and commercial facilities deemed to be in the public interest through the issuance of bonds. Neither the Authority, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of these bonds except for the issuances described below. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In 2001, the Development Authority issued revenue bonds for the expansion of the Gwinnett Center. The County has entered into a lease agreement with the Development Authority to lease the Center for a 30-year period. The 2001 bonds were refinanced in 2010. In 2007, the Development Authority issued revenue bonds for a parking deck at the Gwinnett Center. The County has pledged hotel/motel tax revenues to the Development Authority to satisfy the lease payments for both of these issues in an amount equal to the required debt service of the bonds. In 2008, the Development Authority issued revenue bonds to build the Gwinnett Baseball Stadium and a recycling center. The recycling bonds were cash-defeased in 2010 (see note 8 for more information) Therefore, due to these agreements, a significant financial relationship exists, and the Development Authority is reported as a discretely presented component unit. The Development Authority operates on a fiscal year end of December 31.

Complete financial statements of the individual component unit may be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

The **Gwinnett County Board of Health d/b/a the Gwinnett County Health Department** is considered a discretely presented component unit based upon the criteria in GASB Statement N°. 14. The Board of Health consists of seven members. Two members are appointed by the City of Lawrenceville, the largest municipality within the county. The Gwinnett Board of Commissioners appoints three members and the Chairman of the Board of Commissioners (or their designee) serves as a member. The County Superintendent of Schools rounds out the membership. County appointments or members make up the majority of the Board of Health. The County contributed approximately eight percent of the Board's overall revenues during its fiscal year ended June 30, 2010. Because the County appoints the majority of the Board and because of the financial relationship between the Health Department and the County, the Health Department is reported as a discretely presented component unit.

The Board of Health operates on a June 30 fiscal year. The County does not prepare or review the financial statements of the Board of Health, and neither the County nor its auditors have performed an audit of its financial records. The Board of Health engaged another accounting firm to audit its financial statements for the year ended June 30, 2010. Complete financial statements may be obtained at the following address:

Jerry S. Adams, CPA
Post Office Box 2456
Gainesville, GA 30503

**Related Organizations**

The **Housing Authority of Gwinnett County** (the "Housing Authority") is considered a related organization based upon the criteria in GASB Statement N°. 14. Pursuant to *Official Code of Georgia Annotated (O.C.G.A.) §8-3-4*, the Housing Authority is a separate legal entity from Gwinnett County. Further, pursuant to *O.C.G.A. §8-3-50,* the County appoints a voting majority of the Housing Authority members. However, the County is not able to impose its will upon the Housing Authority nor does a financial benefit/burden relationship exist between them.

The **Arts Facility Authority** is considered a related organization based upon the criteria in GASB Statement N°. 14. The Arts Facility Authority is a separate legal entity from Gwinnett County. The County appoints the five-member board of the Arts Facility Authority. However, the County is not able to impose its will upon the Arts Facility Authority nor does a financial benefit/burden relationship exist between them.

**Joint Venture**

The **Atlanta Regional Commission** (the "ARC") is considered a joint venture based upon the criteria in GASB Statement N°. 14. Under Georgia law, the County, in conjunction with other cities and counties in the 10-county metropolitan Atlanta, Georgia, area, is a member of the ARC. Membership in a Regional Development Center (RDC) is required by *O.C.G.A. §50-8-34,* which provides for the organization structure of the RDC in Georgia. The County paid dues in the amount of $759,300 to the ARC for the year ended December 31, 2010. The RDC Board membership includes the chief elected official of each county and municipality of the area. *O.C.G.A. §50-8-39.1* provides that the member governments are liable for any debts or obligations of a RDC. Complete financial statements of the RDC may be obtained at the following address:

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

**B. Governmentwide and fund financial statements**

The governmentwide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmentwide financial statements do not provide information by fund, but distinguish between the County's governmental activities and business-type activities. 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 discretely presented component units. The statement of net assets includes noncurrent assets and liabilities. In addition, the governmentwide statement of activities reflects depreciation expenses on the County's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 considered 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 governmentwide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The governmentwide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements (agency funds do not have a measurement focus but use the accrual basis of accounting). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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. 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 government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenue sources which are susceptible to accrual are Property Tax, Sales Tax, Insurance Premium Tax, and intergovernmental revenue. 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.

In accordance with GASB Statement N°. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. For 2010, the County has recorded a $22.6 million receivable and deferred revenue for Insurance Premium Tax due from the State of Georgia for taxes collected in 2010 which will be paid to the County in 2011. The County has recorded a $26.4 million receivable and $23.2 million deferred revenue for property taxes levied in 2010 and prior years, but expected to be collected in 2011 (adjusted for an allowance for doubtful accounts).

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement N°. 34 also requires, as supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activities.

**The County reports the following major governmental funds:**
The General Fund is Gwinnett 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 Other Capital Projects Fund accounts for the financial resources to be used for the purchase and construction of major capital facilities, other than those accounted for in specific funds, which are not financed by the proprietary funds.

The 1997 Sales Tax Fund accounts for the financial resources provided from the 1997 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for road improvements, public safety, and parks and recreation.

The 2001 Sales Tax Fund accounts for the financial resources provided from the 2001 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for libraries, parks and recreation, public safety, and transportation projects.

The 2005 Sales Tax Fund accounts for the financial resources provided from the 2005 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for libraries, parks and recreation, public safety, and transportation projects.

The 2009 Sales Tax Fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for libraries, parks and recreation, public safety, and transportation projects.

**The County reports the following major enterprise funds:**
The Water and Sewerage fund accounts for the activities of the Water and Sewerage Authority, a blended component unit of the government, and the Water and Sewerage System. The system includes sewage treatment plants, sewage pumping stations and collection systems, and the water distribution system.

The Stormwater Fund accounts for the provision of stormwater services to the residents of the County, including administration, operations, maintenance, billing, and collections.

**The County also reports the following fund types:**
Internal Service Funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government on a cost reimbursement basis. The County's internal service funds include Group Insurance, Risk Management, Automotive Management and Service, and Auto Liability.

Agency funds account for Tax Commissioner, Clerk of the Courts, Recorder's Court, Sheriff, Probate Court, Juvenile Court, and Corrections. Agency Funds are accounted for on the accrual basis of accounting and are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Pension and Other Employee Benefit Trust Funds account for the County's Defined Benefit Pension Plan and Other Post-Employment Benefits. These funds accumulate resources for pension and post-employment benefit payments to qualified retirees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the governmentwide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. Gwinnett County has elected not to follow subsequent private-sector guidance.

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 revenues of the enterprise and internal service funds are charges to customers for sales and services. The Water and Sewerage Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds also include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include demand deposits and savings accounts with financial institutions and deposits with fiscal agents. State of Georgia statutes and the County's investment policy authorize the County to invest in direct obligations of the US Government; obligations insured or guaranteed by the US Government or a US Government agency; obligations of any US Government instrumentally or sponsored corporation; prime bankers' acceptances; obligations of the State of Georgia and its political subdivisions; certain collateralized repurchase agreements; certain customized and collateralized bank products; and the State of Georgia Office of Treasury and Fiscal Services Georgia Fund-1 Liquidity Pool. Investments are carried at fair value, which is based on quoted market value.

There is negligible credit risk associated with the County's investments primarily due to reliance upon securities of the US Government and its agencies or instrumentalities by both the County and the Office of Treasury and Fiscal Services. As with any fixed income portfolio, market price risk exists in a changing interest rate environment and some of the County's investments are subject to decline in market value as interest rates fluctuate. Securities with more than a small amount of market risk are held almost exclusively as investment of capital funds to be used for projects with long construction schedules.

Operating funds are currently invested in the Georgia Fund-1 Liquidity Pool; certificates of deposit of short duration; US government agency securities; or maintained in fully collateralized demand deposit, savings, and public funds money market accounts with financial institutions. The Georgia Fund-1 operates as a stable Net Asset Value (NAV) money market fund and is rated

AAAm by Standard and Poor's. Although this Pool is not registered with the Securities and Exchange Commission, the Georgia Fund-1 is operated in a manner consistent with the SEC's *Rule 2a7 of the Investment Company Act of 1940.* The Georgia Fund-1 is managed under the policies included in Georgia Law *O.C.G.A. §36-83-4.* The reported value of the Georgia Fund-1 is the same as the fair value of the pool shares. *(See Note 3 – Cash, Cash Equivalents, and Investments for additional information).*

Pension and OPEB Trust Funds – The Pension and OPEB Trust Funds are authorized to invest in obligations of the United States Treasury or its agencies and instrumentalities, bonds of the State of Georgia 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, they are authorized to invest in common stocks, money market instruments, and corporate bonds and debentures, which are not in default as to principal and interest. Investments are recorded at fair value based on quoted market prices.

**E. Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the governmentwide statement of net assets. Any residual balances outstanding between the governmental and business-type activities are reported in the governmentwide statement of net assets as "internal balances." In the major fund balance sheets, these receivables and payables are classified as "due from other funds" or "due to other funds."

**F. Inventories**

Inventories are valued at cost using a weighted average costing assumption. The cost of inventories is recorded as an expenditure at the time individual inventory items are consumed (consumption method).

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid assets.

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, dams, and similar items), are reported in the applicable governmental or business-type activities columns in the governmentwide financial statements. Governmental (general) capital assets are recorded as expenditures (capital outlay) in the governmental funds and capitalized at cost in the governmentwide statement of net assets. The County's capitalization threshold is $25,000 for software and $5,000 for all other assets. Some assets under the threshold, such as firearms, are capitalized for control purposes.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation.

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.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the Water and Sewerage Fund is included as part of the capitalized value of the assets. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until completion of the project) with interest earned on investment proceeds over the same period. During 2010, $9,780,982 of interest was capitalized.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---|---|
| Buildings | 25 – 50 |
| Infrastructure | 45 – 50 |
| Improvements (other than buildings) | 10 – 99 |
| Equipment | 3 – 10 |

**I. Restricted Assets**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the fund balance sheet and statement of net assets because their use is limited by applicable debt covenants.

**J. Compensated Absences**

The liability for accumulated unpaid vacation pay amounts, as well as other salary-related payments, have been accrued in the proprietary funds and the governmentwide statements of net assets as accumulated leave benefits. These amounts are not considered a current liability within the governmental fund types balance sheets since they will be paid from appropriations of subsequent years.

Accumulated sick pay benefits have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

**K. Estimated Claims Payable**

The liability for claims and judgments against the County, including the estimated liability for claims incurred but not reported at year-end, has been accrued in the County's Risk Management Fund (Internal Service Fund) and the governmentwide statement of net assets.

**L. Pension Plan(s)**

The County provides a defined benefit pension plan to a large segment of the workforce. Eligibility is based on employment status and a vesting period. Benefits are based on years of service and other factors. It is the County's policy to fund the normal cost and amortization, up to 30 years, of any unfunded prior service cost. As discussed in ***Note 12,*** a defined contribution plan was established effective August 1, 2000, to provide retirement benefits for appointed employees, appointed officials, and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new employees. The County provides certain other benefits to retirees and otherwise terminated employees as post employment benefits.

**M. Long-term Obligations**

In the governmentwide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, issuance costs, and deferred losses on debt refundings, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred losses on debt refundings.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances 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.

**N. Fund Equity**

In governmental funds, reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**O. Net Assets**

Net assets on the governmentwide statement of Net Assets include investments in capital assets net of related debt; restricted assets for capital projects, debt service, other purposes; and unrestricted assets.

**P. Interfund Transactions**

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used, are reported as transfers.

**Q. Connection Charges**

In the Enterprise Funds, fees charged to connect into the County's water and sewerage system up to the cost of the connection are recorded as operating income. The remaining portions of the fees are recorded as capital contributions.

**R. System Development Charges**

In the Water and Sewerage Fund, System Development Charges, in accordance with the *Water and Sewerage Ordinance,* are recorded as capital contributions.

**S. Statement of Cash Flows**

For purposes of the statement of cash flows, cash management pools, deposits in the Georgia Fund-1 state investment pool, and investments purchased with an original maturity date of three months or less are considered cash equivalents.

**T. Allocation of Indirect Expenses**

The County allocates indirect expenses of the General Fund to the Enterprise Funds and certain governmental functions based on respective use of indirect services.

**U. Management Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**V. Restatement of Fund Balance for Change in Accounting Policy**

Fund Balance, as of the beginning of the year, in the 2005 Sales Tax Fund and the 2009 Sales Tax Fund has been restated due to a change in accounting policy relating to these funds. The change in policy affected beginning fund balance as previously reported in the balance sheet of the governmental funds as follows (in thousands of dollars):

| | 2005 Sales Tax Fund | 2009 Sales Tax Fund |
|---|---|---|
| 2009 Fund Balance, as previously reported | $ 170,364 | $ 42,355 |
| Effect of change in accounting principle | 6,615 | (6,615) |
| 2010 Fund Balance, as restated | $ 163,749 | $ 48,970 |

## Note 2.

## Legal Compliance – Budgets

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

1. Prior to December 1, the Chairman submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following January 1.

2. In December, the Board of Commissioners holds a public hearing on the proposed budget to obtain citizen comments.

3. The Board of Commissioners formally adopts the budget (or continuation budget if the Commission requires additional review of the proposed budget) at the first regular meeting in January of the current budget year. Once the Commission has agreed on the proposed budget, a resolution is adopted by the Commission replacing the proposed budget. A balanced budget is required by law. The Budget specifies the anticipated funding sources for each fund and making appropriations for proposed expenditures to the departments or organization units named in each fund.

4. Expenditures of any Operating Budget Fund or Capital Budget Fund shall not exceed the appropriations authorized by the budget and amendments thereto or actual funding source, whichever is less.

5. Certain capital project budgets are adopted as multiple year project budgets as provided for in *O.C.G.A. § 36-81-3 (b)(2).*

6. The County's legal level of budgeting control (the level at which expenditures may not exceed appropriations) is at the department level for each fund for which a budget is required with the following provision:

   Any increase in Appropriations in any Fund for a Department, whether through a change in Anticipated Revenues in any Fund or through a transfer of Appropriations among Departments, shall require the approval of the Board of Commissioners, except in the following cases where authority is granted to:

   The Director of Financial Services to:

   (a) allocate funds to appropriate Department from insurance proceeds and/or from the Casualty and Liability Insurance Reserve for the replacement or repair of damaged equipment items:
   (b) allocate funds from established reserves for leave balances at retirement, salary adjustments and reclassifications to Departments and Organizational Units as necessary to provide funding for compensation actions, reductions in force and retirement incentives;
   (c) allocate funds from the established Judicial Reserve to appropriate departments within the Judicial System as required;
   (d) allocate funds from the established Medical Reserve to various funds/departments when required to cover medical expenses;
   (e) allocate funds from the established Indigent Defense Reserve to appropriate departments for required indigent defense expenses;
   (f) allocate funds from the established Court Reporter Reserve to appropriate departments for required expenses;
   (g) allocate funds from the established Court Interpreter Reserve to appropriate departments for required expenses;
   (h) allocate funds from the established Inmate Housing Reserve to appropriate departments for required expenses;
   (i) allocate funds from the established Fuel/Parts Reserve as required;
   (j) transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities;
   (k) authorize preparation and submission of applications for grant funding; however, acceptance of all grant awards is subject to the approval of the Board of Commissioners;
   (l) adjust revenue and appropriation budget between capital projects as necessary to incorporate grant awards previously approved by the Board of Commissioners;
   (m) approve transfers of appropriations within capital projects and allocate funds previously approved, or, as appropriate, transfer appropriations among fiscal years for projects as necessary to allow completion of each project and cover existing obligations/expenses in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;
   (n) adjust revenue and appropriation budgets to incorporate collected revenue at the capital fund contingency project, and project specific contingency levels.

The County Administrator to:
(a) transfer funds from department budgets to Contribution to Capital Projects for amounts up to $25,000;
(b) transfer funds within a capital fund from fund or program contingencies and/or savings in existing projects to establish new projects for amounts up to $100,000;
(c) transfer appropriations within a capital fund from an Information Technology contingency/reserve to establish new projects/initiatives for amounts up to $100,000.
(d) allocate funds from the established Operational Efficiency Reserve as required;
(e) reallocate funding among projects approved by the Board of Commissioners.

Authorities for transfers of appropriations shall not be used as an alternative to the normal budget process, and are intended to be used only when necessary to facilitate the orderly management of projects and/or programs; transfers approved under these authorities may not be used to change the approved scope or the objective of any capital project

7. Annual appropriated budgets are legally adopted for the General Fund, Special Revenue Funds, the Debt Service Fund and Capital Projects Funds. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into proprietary fund general ledgers. All appropriations lapse at fiscal year-end.

8. Actual expenditures of each fund for the year may not exceed the budget for that fund, or amendments thereto, and may not exceed actual funding sources.

9. Transfers of appropriations in any Fund among the various accounts within a department shall require only the approval of the Director of Financial Services so long as the total budget for each department is not increased.

10. Appropriations in any fund among the various accounts within a Department shall require only the approval of the Director of Financial Services, except that transfer of Appropriations within a Department, to or from salaries, to or from operating capital assets, transfers to any conference account, or any copy machine lease account, shall require the approval of the Director of Financial Services for amounts up to $25,000, or the County Administrator for amounts up to $100,000, and the approval of the Board of Commissioners for amounts exceeding $100,000.

11. The Board of Commissioners shall approve increases in authorized positions. Vacant positions may be reallocated within the same department or reassigned to another department, and filled authorized positions may be reassigned at the same grade level between departments with the authorization of the County Administrator.

12. The County Administrator is granted authority to authorize benefits pursuant to *O.C.G.A. § 47-23-106* for retired Superior Court Judges.

13. The compensation for county appointments by the Board of Commissioners to the various Boards and Authorities has been set. This does not preclude any department from reimbursing those members for actual expenses incurred in the performance of duty.

14. Be it further resolved that in accordance with the Official Code of Georgia Annotated Section 33-8-8.3(a)(1), the proceeds from the tax on insurance premiums shall be used solely for the purposes of funding police protection to inhabitants of the unincorporated areas of the county.

Operational control of departmental budgets is accomplished through an automated system of preliminary checks of funds availability on an appropriation unit basis (group of accounts). Encumbrances, amounts of the budgetary appropriation reserved to meet an obligation, are maintained as a technique for budgetary control and are recorded when purchase orders are issued for goods and services. In the event of insufficient funds within an appropriation unit, purchase orders are not issued until an interdepartmental budget transfer is made within policy guidelines, or until the Board of Commissioners makes additional funds available.

The original budget for the year ended December 31, 2010, was amended through supplemental appropriations as follows (in thousands of dollars):

| | Original Appropriation Budget | Decrease In Appropriation | Amended Appropriation Budget |
|---|---|---|---|
| General Fund | $ 510,275 | $ (24,661) | $ 485,614 |
| Special Revenue Funds* | 76,472 | 2,665 | 79,137 |
| Debt Service Fund | 13,874 | - | 13,874 |
| Capital Projects Funds | 204,693 | (50,878) | 153,815 |

The Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis) reflect these revisions.

Due to legal requirements, revenues and appropriations for the Governmental Fund Types are budgeted on a basis that is not consistent with GAAP. The actual results of operations on the budget basis are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund (Basic Financial Statements) and all other governmental funds (Combining Statements).

Adjustments necessary to convert the results of operations from the budget basis to the GAAP basis at year-end are as follows (in thousands of dollars):

| | Fund Balances at End of Year | | |
|---|---|---|---|
| | General Fund | Special Revenue Funds* | Debt Service Fund |
| GAAP basis fund balance | $ 147,953 | $ 67,558 | $ 33,980 |
| GASB 31 market adjustment | 294 | 4 | - |
| Budget basis | $ 148,247 | $ 67,562 | $ 33,980 |

** Excludes grant funds*

## Note 3.

### Cash, Cash Equivalents, and Investments

Following are the components of the County's cash, cash equivalents, and investments as of December 31, 2010 (in thousands of dollars):

| | Unrestricted | Restricted | Agencies | Pension and Other Employee Trust Funds | Primary Government Total |
|---|---|---|---|---|---|
| Cash and Equivalents | $ 500,219 | $ 47,773 | $ 33,671 | $ 30,695 | $ 612,358 |
| Investments | 281,900 | 142,185 | - | 584,719 | 1,008,804 |
| Total | $ 782,119 | $ 189,958 | $ 33,671 | $ 615,414 | $ 1,621,162 |

**Credit Risk and Interest Rate Risk – County Investments**

The investment objectives of the County are set forth below in the order of priority and are applicable to both the Liquidity Portfolio (near term cash needs) and the Investment Portfolio (longer term cash needs).

A. Each investment decision shall first consider that capital losses are to be avoided, whether from deterioration of financial fundamentals or erosion of market value due to rapidly changing interest rates or other market and non-market factors.

B. The portfolios must be structured in such a manner that sufficient liquidity shall exist to pay obligations as they become due, without the requirement for unplanned liquidations of securities. The Director of Financial Services shall establish criteria for the preparation of cash projections, matching maturities, and maintenance of reserve, all in order to maintain liquidity.

C. The County seeks market rates of return on its investments, consistent with its liquidity requirements and quality and duration/maturity constraints. The County further seeks to preserve its capital by maintaining a low volatility portfolio as it relates to price fluctuations, further modifying return objectives.

D. County funds will at all times be invested in conformity with the laws of the State of Georgia, specifically sections *36-80-3, 36-80-4, 36-82-7,* and *36-83-4;* along with bond ordinances or covenants, the Investment Policy and the Department's written administrative procedures.

E. The County's investments are to be managed on a total rate of return basis while avoiding speculative strategies and highly volatile securities. Use of high risk (volatile) derivative securities are prohibited from purchase in either the liquidity or investment portfolio. The County seeks to acquire securities with suitable characteristics and to hold those assets until such time as market conditions or other factors create clear opportunities for increased returns. Excessive trading without clearly demonstrable benefit to the County is prohibited.

**Interest Rate Risk – County Investments**

The County's Investment Policy breaks out the County's investments into a liquidity portfolio and an investment portfolio. The liquidity portfolio has assets that are categorized as short-term funds and will be invested in permitted investments maturing in 12 months or less. The investment portfolio will be invested in permitted investments with a stated maturity of no more than five years from the date of purchase.

**Custodial Credit Risk: Deposits and Investments – County**

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 require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the US government, or bonds of public authorities, counties, or municipalities.

On December 31, 2010, the County did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than five percent of investments.

As of December 31, 2010, the County's Credit and Interest Rate Risk related to the County's cash equivalents and investments is as follows:

| Investment | (Market Value) Fair Value | Duration (Years) | Credit Quality |
|---|---|---|---|
| Federal Agency Securities | $144,085,728 | 1.60 | AAA |
| Federal Mortgage Backed Securities | 78,702,157 | 1.50 | AAA |
| Treasury Securities | 26,610,636 | 2.12 | AAA |
| | | | |
| State of Georgia GA 1 | 352,827,162 | 0.126 | AAAm |
| State of Georgia Georgia Fund 1 Bonds | 89,295,723 | 0.126 | AAAm |
| | | | |
| Total Cash Equivalents and Investments | $691,521,406 | | |

**Pension Trust Fund Investments**

As of December 31, 2010, the Pension Trust Fund had $541,874,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

| Investment | Fair Value | Credit Quality |
|---|---|---|
| U.S. Treasury notes and bonds | $ 66,095 | **AAA** |
| U.S.Government Agencies | 33,150 | **AAA** |
| Asset Backed Securities | 4,370 | **AAA** |
| Asset Backed Securities | 2,938 | **A** |
| Asset Backed Securities | 3,365 | **BAA** |
| Asset Backed Securities | 1,848 | **BA** |
| Commercial Mortgage Backed Securities | 12,544 | **AAA** |
| Commercial Mortgage Backed Securities | 1,797 | **AA** |
| Commercial Mortgage Backed Securities | 1 | **BBA** |
| Commercial Mortgage Backed Securities | 4,819 | **-** |
| Collaterized Mortgage Obligation | 588 | **AAA** |
| Collaterized Mortgage Obligation | 802 | **AA** |
| Collaterized Mortgage Obligation | 1,189 | **A** |
| Collaterized Mortgage Obligation | 2,075 | **BAA** |
| Collaterized Mortgage Obligation | 342 | **BA** |
| Collaterized Mortgage Obligation | 1,047 | **B** |
| Collaterized Mortgage Obligation | 403 | **CAA** |
| Collaterized Mortgage Obligation | 48 | **CA** |
| Collaterized Mortgage Obligation | 117 | **C** |
| Collaterized Mortgage Obligation | 5,257 | **-** |
| Futures Contracts | 525 | **-** |
| Corporate Bonds | 5,910 | **AA** |
| Corporate Bonds | 16,820 | **A** |
| Corporate Bonds | 31,349 | **BAA** |
| Corporate Bonds | 400 | **BA** |
| Corporate Bonds | 174 | **B** |
| Corporate Bonds | 1,085 | **-** |
| Corporate Equities | 227,593 | **-** |
| Taxable Municipal bonds | 353 | **A** |
| International Equities | 88,744 | **-** |
| Mutual Funds invested in Equities | 26,126 | **-** |
| Total | $ 541,874 | |

**Credit Risk** – The Pension Trust Fund's policy prohibits investments in direct real estate, and no more than 60 percent (at cost) of the Pension Trust Fund's assets shall be invested in equities. It is the Pension Trust Fund's policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States of America, or those traded on the NASDAQ National Market. The policy also limits stock investments to not more than five percent of the assets of any fund in common or preferred stock of any one issuing corporation. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. US Government Treasuries and Agency bonds are not classified by credit quality. Corporate equities, international equities, and mutual funds invested in equities are also not classified by credit quality.

On December 31, 2010, the Pension Trust Fund did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than five percent of plan net assets.

As of December 31, 2010, the Pension Trust Fund had $541,874,000 invested in the following types of investments (dollars in thousands) as categorized by interest rate risk:

| Investment | Fair Value | Weighted Average Maturity (Years) |
|---|---|---|
| U.S. Treasury notes and bonds | $ 66,095 | 9.01 |
| Asset Backed Securities | 12,521 | 4.67 |
| US governmental agencies | 33,150 | 25.51 |
| Commercial Mortgage Backed Securities | 19,161 | 32.25 |
| Future Contracts | 525 | – |
| Corporate bonds | 55,738 | 10.45 |
| Collaterized mortgage obligations | 11,868 | 19.37 |
| Corporate equities | 227,593 | – |
| International government bonds | 353 | 8.01 |
| International equities | 88,744 | – |
| Mutual fund invested in equities | 26,126 | – |
| Total | $ 541,874 | |

**Interest Rate Risk**

The Pension Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 70 percent at market value, and Fixed Income Securities between 30 percent and 50 percent. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2010, the Fixed Income Assets had an effective duration of 4.99 years compared to the Barclays Capital U.S. Aggregate of 4.85 years. The weighted average yield to maturity of the Portfolio was 4.29% compared to the Barclays Aggregate of 2.83%. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

**Foreign Currency Risk**
At December 31, 2010, $88,744,000 or 13.2 percent of Pension Trust assets had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency are as follows:

| Investment | Amount |
|---|---|
| Australian Dollar | $ 252 |
| British Pound | 50,691 |
| Canadian Dollar | 6,311 |
| US Dollar Invested in mutual funds with only international equity holdings | 31,490 |
| Total | $ 88,744 |

**Pension Trust Funds Custodial Credit Risk: Deposits**
Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pension Trust Fund may not be able to recover its deposits.

**Securities Lending**
State statutes and management committee policies permit the Pension Trust Fund to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Pension Trust Fund's custodians lend securities of the type on loan at year end for collateral in the form of cash or other securities of 102 percent. The cash collateral is available to the Pension Trust Fund for investment without default.

Cash collateral is invested in overnight investments. At year end, the Pension Trust Fund has no significant credit risk exposure to borrowers because the amounts the Pension Trust Fund owes the borrowers exceed the amounts the borrowers owe the Pension Trust Fund. The contract with the Pension Trust Fund's custodian requires it to indemnify the Pension Trust Fund if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Pension Trust Fund for income distributions by the securities' issuers while the securities are on loan.

There were no borrower or lending agent default losses and no recoveries of prior period losses during the year. There are no income distributions owing on the securities loaned. The Pension Trust Fund records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending short-term collateral investment pool with a corresponding amount recorded as a liability.

**Other Post Employment Benefits (OPEB) Trust Fund Investments**

As of December 31, 2010, the OPEB Trust Fund had $42,845,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

| Investment | Fair Value | Credit Quality |
|---|---|---|
| U.S. Treasury notes and bonds | $ 5,226 | **AAA** |
| U.S. Government Agencies | 2,621 | **AAA** |
| Asset Backed Securities | 346 | **AAA** |
| Asset Backed Securities | 232 | **A** |
| Asset Backed Securities | 266 | **BAA** |
| Asset Backed Securities | 146 | **BA** |
| Commercial Mortgage Backed Securities | 992 | **AAA** |
| Commercial Mortgage Backed Securities | 142 | **AA** |
| Commercial Mortgage Backed Securities | 381 | **-** |
| Collaterized Mortgage Obligation | 48 | **AAA** |
| Collaterized Mortgage Obligation | 63 | **AA** |
| Collaterized Mortgage Obligation | 94 | **A** |
| Collaterized Mortgage Obligation | 164 | **BAA** |
| Collaterized Mortgage Obligation | 27 | **BA** |
| Collaterized Mortgage Obligation | 83 | **B** |
| Collaterized Mortgage Obligation | 32 | **CAA** |
| Collaterized Mortgage Obligation | 4 | **CA** |
| Collaterized Mortgage Obligation | 9 | **C** |
| Collaterized Mortgage Obligation | 415 | **-** |
| Futures Contracts | 41 | **-** |
| Corporate Bonds | 467 | **AA** |
| Corporate Bonds | 1,330 | **A** |
| Corporate Bonds | 2,479 | **BAA** |
| Corporate Bonds | 32 | **BA** |
| Corporate Bonds | 14 | **B** |
| Corporate Bonds | 86 | **-** |
| Corporate Equities | 17,994 | **-** |
| Taxable Municipal Bonds | 28 | **AAA** |
| International Equities | 7,017 | **-** |
| Mutual Funds invested in Equities | 2,066 | **-** |
| Total | $ 42,845 | |

**Credit Risk** – The OPEB Trust Fund's policy prohibits investments in direct real estate, and no more than 60 percent (at cost) of the OPEB Trust Fund's assets shall be invested in equities. It is the OPEB Trust Fund's policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States of America, or those traded on the NASDAQ National Market. The policy also limits stock investments to not more than five percent of the assets of any fund in common or preferred stock of any one issuing corporation. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. US Government Treasuries and Agency bonds are not classified by credit quality. Corporate equities, international equities, and mutual funds invested in equities are also not classified by credit quality.

On December 31, 2010, the OPEB Trust Fund did not have debt or equity investments in any one organization, other than those issued by the US Government, which represented greater than five percent of plan net assets.

As of December 31, 2010, the OPEB Trust Fund had $42,845,000 invested in the following types of investments (dollars in thousands) as categorized by interest rate risk:

| Investment | Fair Value | Weighted Average Maturity (Years) |
|---|---|---|
| U.S. Treasury notes and bonds | $ 5,226 | 9.01 |
| Asset Backed Securities | 990 | 4.67 |
| U.S. governmental agencies | 2,621 | 25.51 |
| Commercial Mortgage Backed Securities | 1,515 | 32.25 |
| Future Contracts | 41 | – |
| Corporate bonds | 4,408 | 10.45 |
| Collaterized mortgage obligations | 939 | 19.37 |
| Corporate equities | 17,994 | – |
| Taxable Municipal bonds | 28 | 8.01 |
| International equities | 7,017 | – |
| Mutual fund invested in equities | 2,066 | – |
| Total | $ 42,845 | |

**Interest Rate Risk** – The OPEB Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 70 percent at market value, and Fixed Income Securities between 30 percent and 50 percent. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2010, the Fixed Income Assets had an effective duration of 4.99 years compared to the Barclays Capital U.S. Aggregate of 4.85 years. The weighted average yield to maturity of the Portfolio was 4.29% compared to the Barclays Aggregate of 2.83%. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

**Foreign Currency Risk** – At December 31, 2010, $7,017,000 or 12.1 percent of OPEB Trust assets had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency are as follows:

| Investment | Amount |
|---|---|
| Australian Dollar | $ 20 |
| British Pound | 4,010 |
| Canadian Dollar | 499 |
| US Dollar Invested in mutual funds with only international equity holdings | 2,488 |
| Total | $ 7,017 |

**OPEB Trust Funds Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that in the event of a bank failure, the OPEB Trust Fund may not be able to recover its deposits.

**Securities Lending.** State statutes and management committee policies permit the OPEB Trust Fund to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OPEB Trust Fund's custodians lend securities of the type on loan at year end for collateral in the form of cash or other securities of 102 percent. The cash collateral is available to the OPEB Trust Fund for investment without default.

Cash collateral is invested in overnight investments. At year end, the OPEB Trust Fund has no significant credit risk exposure to borrowers because the amounts the OPEB Trust Fund owes the borrowers exceed the amounts the borrowers owe the OPEB Trust Fund. The contract with the Plan's custodian requires it to indemnify the OPEB Trust Fund if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the OPEB Trust Fund for income distributions by the securities' issuers while the securities are on loan.

There were no borrower or lending agent default losses and no recoveries of prior period losses during the year. There are no income distributions owing on the securities loaned. The OPEB Trust Fund records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending short-term collateral investment pool with a corresponding amount recorded as a liability.

## Note 4.

## Property Taxes

The County's property taxes were levied on the assesed values of all real and personal property including mobile homes and motor vehicles located in the County. The assessed value at January 1, 2010, upon which the 2010 levy was based, was the taxable assessed value of $26,647,359,957 (40 percent of the estimated actual taxable value of $66,618,399,893).

On December 1, 2009, the Board of Commissioners approved an increase for the 2009 County millage rate of 20.78 percent from 10.97 mills to 13.25 mills. The final 2009 millage rate of $13.25 includes a rate of $11.78 for general purposes, $.47 mills for general obligation bonds, and $1.00 mills for recreation purposes. An additional billing utilizing the new millage rate for 2009 took place in March 2010.

The tax billing cycle for fiscal year 2010 allowed citizens to pay 50 percent of the tax bill in September with the balance due in November as detailed in the following calendar:

| | |
|---|---|
| Levy date | January 1, 2010 |
| Tax bills mailed by | July 22, 2010 |
| Payment due dates | |
| First installment | September 22, 2010 |
| Second installment | November 15, 2010 |
| Delinquency dates | |
| First installment | September 23, 2010 |
| Second installment | November 16, 2010 |
| Approximate lien date | March 1, 2011 |

## Note 5.

### Allowances For Uncollectible Receivables

Allowances for uncollectible receivables at December 31, 2010, are as follows (in thousands of dollars):

| | |
|---|---|
| Taxes receivable: | |
| General Fund | $ 2,864 |
| Other Governmental Funds | 430 |
| | $ 3,294 |
| Accounts receivable: | |
| General Fund | $ 9,838 |
| Water and Sewerage Fund | 6,452 |
| Storm Water Fund | 478 |
| Other Enterprise Funds | 599 |
| | $ 17,367 |

## Note 6.

### Due From Other Governments

The total amount due from other governments as of December 31, 2010, is $39,421,000. A total of $22,589,000 is due from the State of Georgia for Insurance Premium Tax collected by the state in 2010, but not yet paid to the County. This amount was estimated using the amount received for 2009 and adjusting it for projected employed population growth. A total of $1,555,000 is due from the Georgia Environmental Facilities Authority for claims outstanding as of December 31, 2010. A total of $13,601,000 is due from the state for sales tax. The remaining $1,676,000 is due from various state and local agencies.

## Note 7.

### Capital Assets

The County's Capital Asset activity for the year ended December 31, 2010, was as follows (in thousands of dollars):

**Primary Government**

| | Balance January 1, 2010 | Increases | Decreases | Balance December 31, 2010 |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated: land | $ 574,305 | 96,795 | 769 | 670,331 |
| Construction in progress | 131,831 | 116,860 | 134,552 | 114,139 |
| Total capital assets, not being depreciated | 706,136 | 213,655 | 135,321 | 784,470 |
| | | | | |
| Capital assets, being depreciated: | | | | |
| Land Improvements | 315,751 | 24,720 | 14 | 340,457 |
| Buildings | 683,366 | 5,023 | 175 | 688,214 |
| Equipment | 164,267 | 2,395 | 4,001 | 162,661 |
| Vehicles | 70,311 | 10,129 | 4,738 | 75,702 |
| Infrastructure | 902,620 | 13,173 | 331 | 915,462 |
| Total capital assets being depreciated | 2,136,315 | 55,440 | 9,259 | 2,182,496 |
| | | | | |
| Less accumulated depreciation for: | | | | |
| Land Improvements | 60,867 | 12,539 | (2,185) | 75,591 |
| Buildings | 114,615 | 15,915 | 15 | 130,515 |
| Equipment | 87,607 | 15,088 | 2,950 | 99,745 |
| Vehicles | 38,947 | 8,365 | 4,662 | 42,650 |
| Infrastructure | 218,600 | 20,610 | 1,724 | 237,486 |
| Total accumulated depreciation | 520,636 | 72,517 | 7,166 | 585,987 |
| Total capital assets, being depreciated, net | 1,615,679 | (17,077) | 2,093 | 1,596,509 |
| Governmental-type activities capital assets, net | $ 2,321,815 | 196,578 | 137,414 | 2,380,979 |

*Note: the decrease in construction in progress in offset by increases in depreciable capital assets and land.*

| | Balance January 1, 2010 | Increases | Decreases | Balance December 31,2010 |
|---|---|---|---|---|
| **Business-type activities:** | | | | |
| Capital assets, not being depreciated: land | $ 72,543 | 532 | - | 73,075 |
| Construction in progress | 381,702 | 119,683 | 213,647 | 287,738 |
| Total capital assets, not being depreciated | 454,245 | 120,215 | 213,647 | 360,813 |
| | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings | 680,367 | 11,698 | 4,525 | 687,540 |
| Improvements | 2,801,874 | 178,977 | 5,520 | 2,975,332 |
| Equipment | 405,073 | 26,928 | 4,594 | 427,407 |
| Vehicles | 53,724 | 1,816 | 1,845 | 53,694 |
| Total capital assets being depreciated | 3,941,038 | 219,419 | 16,484 | 4,143,973 |
| | | | | |
| Less accumulated depreciation for: | | | | |
| Buildings | 100,455 | 14,893 | 1,615 | 113,733 |
| Improvements | 482,511 | 44,632 | 4,289 | 522,854 |
| Equipment | 184,833 | 27,082 | 4,485 | 207,430 |
| Vehicles | 20,988 | 4,595 | 1,777 | 23,806 |
| Total accumulated depreciation | 788,787 | 91,202 | 12,166 | 867,823 |
| Total capital assets, being depreciated, net | 3,152,251 | 128,217 | 4,318 | 3,276,150 |
| Business-type activities capital assets, net | $ 3,606,496 | 248,432 | 217,965 | 3,636,963 |

Depreciation expense was charged to functions/programs of the primary government as follows (in thousands of dollars):

| **Governmental Activities:** | |
|---|---|
| General Government | $ 9,020 |
| Public Safety | 15,426 |
| Judiciary | 4,187 |
| Public Works | 24,611 |
| Culture and Recreation | 19,006 |
| Housing and Development | 267 |
| Total depreciation expense – governmental activities | $ 72,517 |

| **Business-Type Activities:** | |
|---|---|
| Water and Sewerage | $ 69,154 |
| Airport | 1,113 |
| Solid Waste | 203 |
| Stormwater | 17,002 |
| Transit | 3,730 |
| Total depreciation expense – business-type activities | $ 91,202 |

**Construction and other Commitments**

The County has active construction projects and other commitments as of December 31, 2010. At year-end the County's commitments with contractors are as follows (in thousands of dollars):

| | |
|---|---|
| Contract Value | $ 1,157,089 |
| Spent-to-Date | 786,136 |
| Remaining Commitments | $ 370,953 |

**Discretely Presented Component Units**

The Gwinnett County Public Library's (discretely presented component unit) capital assets reflected activity as follows (in thousands of dollars), for the year ended June 30, 2010:

| | Beginning Balance | Increase | Decrease | Ending Balance |
|---|---|---|---|---|
| Equipment | $ 2,407 | 95 | (60) | $ 2,442 |
| Less accumulated depreciation | 1,652 | 240 | (60) | 1,832 |
| Net Capital Assets | $ 755 | (145) | - | $ 610 |

A summary of the Springbrook Golf Course Commission's (a discretely presented component unit) capital assets reflected activity is as follows (in thousands of dollars), for the year ended December 31, 2010:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Land | $ 2,895 | - | ($2,895) | - |
| **Capital assets being depreciated:** | | | | |
| Equipment | 436 | - | (436) | - |
| Golf course | 1,402 | - | (1,402) | - |
| Renovation: clubhouse | 609 | - | (609) | - |
| Renovation: golf course | 536 | - | (536) | - |
| Building | 474 | - | (474) | - |
| Renovation: other | 57 | - | (57) | - |
| Total | $ 3,514 | - | (3,514) | - |
| | | | | |
| **Less accumulated depreciation for:** | | | | |
| Equipment | (244) | (59) | 303 | - |
| Golf course | (1,402) | - | 1402 | - |
| Renovation: clubhouse | (117) | (16) | 133 | - |
| Renovation: golf course | (214) | (26) | 240 | - |
| Building | (204) | (22) | 226 | - |
| Renovation: other | (22) | (1) | 23 | - |
| Total accumulated depreciation | (2,203) | (124) | 2,327 | - |
| Total capital assets being depreciated | 1,311 | (124) | (1,187) | - |
| Total capital assets, net | $ 4,206 | ($124) | ($4,082) | - |

The Board of Health's (a discretely presented component unit) capital assets reflected activity is as follows (in thousands of dollars), for the year ended June 30, 2010:

| | Beginning Balance | Increase | Decrease | Ending Balance |
|---|---|---|---|---|
| Equipment | $ 1,554 | 271 | - | $ 1,825 |
| Less accumulated depreciation | (1,139) | (138) | - | (1,277) |
| Net capital assets | $ 415 | 133 | - | $ 548 |

## Note 8.

### Long-term Obligations

The following is a summary of changes in long-term obligations for the year ended December 31, 2010 (in thousands of dollars):

| **Governmental Activities:** | January 1, 2010 | Accretion Amortization | Additions | Retirements | December 31, 2010 | Amounts due within one year |
|---|---|---|---|---|---|---|
| Group: | | | | | | |
| Revenue bonds | 2,465 | - | - | (2,465) | - | - |
| General obligation bonds | 74,845 | - | - | (11,380) | 63,465 | 11,870 |
| Less: deferred amounts for issuance premiums | 346 | - | - | (77) | 269 | - |
| Deferred loss on refunding | (91) | - | - | 91 | - | - |
| **Total bonds payable** | $ 77,565 | - | - | (13,831) | 63,734 | 11,870 |
| | | | | | | |
| Lease Payable | 103,200 | - | - | (6,780) | 96,420 | 1,690 |
| Accumulated leave benefits | 18,765 | - | 8,023 | (11,188) | 15,600 | 10,045 |
| Estimated claims payable | 11,487 | - | 25,466 | (25,559) | 11,394 | 5,999 |
| **Total Governmental activity Long-term liabilities** | $ 211,017 | - | 33,489 | (57,358) | 187,148 | 29,604 |
| | | | | | | |
| **Business-Type Activities:** | | | | | | |
| Lease payable | 822 | - | - | (822) | - | - |
| Notes payable | 57,549 | - | 833 | (1,834) | 56,548 | 2,051 |
| Revenue bonds | 1,060,088 | 792 | - | (39,315) | 1,021,565 | 45,305 |
| Less: deferred amounts for issuance premiums (discounts and loss) | 17,985 | - | - | (1,326) | 16,659 | - |
| **Total bonds payable** | $ 1,078,073 | 792 | - | (40,641) | 1,038,224 | 45,305 |
| | | | | | | |
| Accumulated leave benefits | 2,617 | - | 1,027 | (1,728) | 1,916 | 1,234 |
| **Total Business-type activity Long-term liabilities** | 1,139,061 | 792 | 1,860 | (45,025) | 1,096,688 | 48,590 |

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, $147,000 of internal service fund accumulated leave benefits and $11,393,000 of internal service fund claims payable were included in the above amounts.

For governmental funds, accumulated leave benefits are liquidated by the General, Streetlight, Crime Victims Assistance, Corrections Inmate Welfare, Sales Tax, Recreation, E-911, and Grants Funds. Estimated claims payable is liquidated by the Group Insurance and Risk Management Internal Service Funds.

For business-type activities, accumulated leave benefits are liquidated by the Water and Sewerage, Airport, Stormwater, Solid Waste and Transit Funds.

Bonds payable are comprised of the following:

**General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds have been issued for general government activities and are reported in the governmental column of the governmentwide statement of net assets. General obligation bonds outstanding, as of December 31, 2010, are as follows (in thousands of dollars):

| | Interest Rate (%) | Interest Dates | Issue Dates | Maturity Date | Authorized and Issued | Cumulatively Retired | Outstanding |
|---|---|---|---|---|---|---|---|
| 2002 General Obligations Refunding | 2.0 – 4.0 | 1/1 – 7/1 | 10/23/2002 | 1/1/2011 | $ 61,740 | $ 53,125 | $ 8,615 |
| 2003 General Obligation | 2.0 – 4.0 | 1/1 – 7/1 | 6/25/2003 | 1/1/2023 | 75,000 | 20,150 | 54,850 |
| | | | | | $ 136,740 | $ 73,275 | $ 63,465 |

**Revenue Bonds**

The County also issues bonds where the County pledges income derived from the acquired or constructed assets to pay debt service. The County has issued revenue bonds for both governmental and business-type activities.

The revenue bonds related to proprietary activity are reported in the Enterprise Funds as they are expected to be repaid from Enterprise Funds revenues. The governmental revenue bonds are reported in the governmental column of the governmentwide statement of net assets and were paid off in 2010. Revenue bonds outstanding, as of December 31, 2010, are as follows (in thousands of dollars):

| | Interest Rate % | Interest Dates | Issue Date | Maturity Date | Authorized and Issued | Cumulatively Retired | Cumulative Capital Accretion Interest | Outstanding |
|---|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | | |
| 1992 Recreation Refunding | 3.0-6.0 | 2/1-8/1 | 12/1/1992 | 2/1/2010 | $ 31,340 | $ 31,340 | $ - | $ - |
| **Business Type** | | | | | | | | |
| 1994 Water and Sewerage Refunding | 5 | 2/1-8/1 | 2/25/1994 | 8/1/2010 | $ 63,128 | $ 127,460 | $ 64,332 | $ - |
| 2002 Water and Sewerage | 4.0-5.25 | 2/1-8/1 | 5/1/2002 | 8/1/2012 | 120,000 | 116,500 | - | 3,500 |
| 2003B Water and Sewerage Refunding | 4.75-5.0 | 2/1-8/1 | 6/5/2003 | 8/1/2025 | 200,000 | - | - | 200,000 |
| 2005 Water and Sewerage Refunding | 3.0-4.5 | 2/1-8/1 | 3/17/2005 | 8/1/2022 | 259,600 | 2,220 | - | 257,380 |
| 2006 Water and Sewerage Refunding | 3.75-4.5 | 2/1-8/1 | 3/9/2006 | 8/1/2025 | 121,375 | 2,120 | - | 119,255 |
| 2008 Water and Sewerage | 4.0-5.0 | 2/1-8/1 | 8/21/2008 | 8/1/2028 | 190,000 | - | - | 190,000 |
| 2009A Water and Sewerage | 1.87-4.0 | 2/1-8/1 | 10/22/2009 | 8/1/2028 | 235,575 | 8,100 | - | 227,475 |
| 2009B Water and Sewerage | 5.35-5.45 | 2/1-8/1 | 10/22/2009 | 8/1/2029 | 23,955 | - | - | 23,955 |
| | | | | | $ 1,213,633 | $ 256,400 | $ 64,332 | $ 1,021,565 |
| | Deferred Items | | | | | | | 16,659 |
| | Net Business-Type Bonds Outstanding | | | | | | | $ 1,038,224 |

The annual requirements to amortize bonds payable as of December 31, 2010, excluding unamortized bond discount/premium and deferred loss on refunding of $16,928,000, are as follows (in thousands of dollars):

| | General Obligation | | Business-Type Revenue | | |
|---|---|---|---|---|---|
| Year Ended December | Principal | Interest | Principal | Interest | Total |
| 2011 | $ 11,870 | $ 2,101 | $ 45,305 | $ 43,636 | $ 102,912 |
| 2012 | 3,380 | 1,845 | 47,250 | 41,879 | 94,354 |
| 2013 | 3,510 | 1,742 | 57,035 | 39,921 | 102,208 |
| 2014 | 3,650 | 1,631 | 59,310 | 37,705 | 102,296 |
| 2015 | 3,800 | 1,508 | 61,490 | 35,199 | 101,997 |
| 2016 – 2020 | 21,660 | 5,300 | 311,270 | 135,064 | 473,294 |
| 2021 – 2025 | 15,595 | 956 | 322,125 | 68,486 | 407,162 |
| 2026 – 2029 | - | - | 117,780 | 10,967 | 128,747 |
| | $ 63,465 | $ 15,083 | $ 1,021,565 | $ 412,857 | $ 1,512,970 |

**Revenue Bonds – Development Authority**

| Component Unit | Interest Rate % | Interest Dates | Issue Date | Maturity Date | Authorized and Issued | Cumulatively Retired | Outstanding |
|---|---|---|---|---|---|---|---|
| Development Authority 2007 Demand | 4.125 – 5.0 | 03/01-09/01 | 08/30/07 | 9/1/27 | $12,000 | $ 1,240 | $ 10,760 |
| 2001 Demand | Variable | 12/31 | 05/10/01 | 9/1/31 | $65,000 | 65,000 | - |
| 2008 Stadium | 5.4 – 6.6 | 1/1/-07/01 | 04/01/08 | 1/1/38 | $33,000 | - | 33,000 |
| 2008 Recycling | 2.0 – 3.75 | 04/01-10/01 | 10/08/08 | 4/1/18 | $14,495 | 14,495 | - |
| 2010 Civic Center | 2.0 – 5.0 | 03/01-09/01 | 11/09/10 | 9/1/31 | $52,660 | $ - | 52,660 |
| **Subtotal** | | | | | | | 96,420 |
| Premium/loss on refunding | | | | | | | 5,940 |
| **Total** | | | | | | | $ 102,360 |

The Development Authority (a discretely presented component unit) issued $65,000,000 in variable-rate revenue bonds on May 10, 2001, and $12,000,000 fixed-rate revenue bonds on July 31, 2007. In 2008, the Development Authority issued fixed-rate bonds on April 1 for $33 million for the stadium, and October 8 for $14,495,000 for a recycling center.

When the 2008 recycling bonds were issued, it was believed that beginning in 2009 recycling would become mandatory in Gwinnett County as part of the Solid Waste Plan. Due to unplanned circumstances in 2009, the facility construction was placed on hold until a new Solid Waste Plan was in effect. The new Solid Waste Plan went into effect on July 1, 2010, and the new Plan does not include mandatory recycling. As a result, the County chose to proceed with a cash defeasance of the bonds and not construct the facility. The cash defeasance occurred in August 2010.

In December, 2010, the 2001 bonds were refunded with the series 2010 bonds in order to restructure the bonds from variable rate to fixed rate.

The estimated annual requirements to amortize the bonds payable as of December 31, 2010, are as follows (in thousands of dollars):

**Development Authority Revenue Bonds Annual Requirements**

| Year Ended December 31 | Principal | Interest | Total Debt Service |
|---|---|---|---|
| 2011 | $ 1,690 | $ 4,375 | $ 6,065 |
| 2012 | 2,150 | 4,915 | 7,065 |
| 2013 | 2,215 | 4,842 | 7,057 |
| 2014 | 2,845 | 4,748 | 7,593 |
| 2015 | 2,975 | 4,613 | 7,588 |
| 2016 – 2020 | 17,205 | 20,690 | 37,895 |
| 2021 – 2025 | 22,020 | 15,853 | 37,873 |
| 2026 – 2030 | 24,985 | 10,182 | 35,167 |
| 2031 – 2035 | 13,105 | 4,190 | 17,295 |
| 2036 – 2038 | 7,230 | 736 | 7,966 |
| **Total** | $ 96,420 | $ 75,144 | $ 171,564 |

The County is absolutely and unconditionally obligated under the terms of an Intergovernmental Contract relating to the bonds, dated April 1, 2001 and amended December 1, 2010 with the restructuring of the same bonds, to pay debt service on the 2010 bonds, including principal and interest. As a result, the County reports a capital lease obligation to component units and the Development Authority reports a lease receivable from the primary government in an amount, and with future requirements, equal to the above Development Authority bonds. The bonds were originally issued to finance an expansion of the existing Gwinnett Center.

The County has also entered into capital leases for a parking deck at the Gwinnett Center and a baseball stadium (Coolray Field). The projects were financed with the 2007 and 2008 bonds, described above and are being leased to the County, at cost, with lease repayment terms mirroring the required debt service on the bonds.

The gross amount of assets acquired under capital leases by major asset class is as follows (in thousands of dollars):

| | |
|---|---|
| Buildings | $ 130,406 |
| Land Improvements | $ 17,716 |
| Equipment | $ 2,395 |

**Advance Refunding of Debt**

In 2002, the County advance refunded all the outstanding General Obligation Bonds ("Series 1992 General Obligation Refunding Bonds"). The net proceeds of the General Obligation Refunding Bond issuance were used to purchase investments that were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds and to refund all of the outstanding prior revenue bonds. The result of this transaction is expected to be a decrease in future debt service payments of $6.4 million. The refunded bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. At December 31, 2010, $9,300,000 of outstanding revenue bonds are considered defeased.

In 2005, the County advance refunded that portion of the Series 1997 Water and Sewer Revenue Bonds maturing on and after August 1, 2011, in the aggregate principal amount of $97,200,000; that portion of the Series 1998 Bonds maturing on and after August 1, 2009, in the aggregate principal amount of $102,380,000; and that portion of the Series 1999 Bonds maturing on and after August 1, 2011, in the aggregate amount of $50,000,000. The net proceeds of $259,600,000 from the 2005 Water and Sewerage Refunding Bonds were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of $16,085,880 resulting in a net present value savings to the County of $13,543,952 The refunded bonds are considered defeased. At December 31, 2010, $245,380,000 of outstanding 1997, 1998, and 1999 revenue bonds are considered defeased.

In 2006, the County advance refunded that portion of the Series 2002 Water and Sewer Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of $116,500,000. With an original principal amount of $121,375,000, net proceeds of $114,945,000 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of $7,687,038 resulting in a net present value savings to the County of $4,858,834. The refunded bonds are considered defeased. At December 31, 2010, $116,500,000 of outstanding 2002 revenue bonds are considered defeased.

In 2009, the County refunded the Series 2004 Water and Sewer Revenue Bonds with a principal balance of $120,000,000. These bonds were redeemed during the year and none remain outstanding. As the 2004 bonds were variable rate bonds with uncertain future debt service requirements, no disclosure of debt service requirement differences or economic gain or loss is required.

**Debt Margin**

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. At December 31, 2010 General Obligation Bonds outstanding, net of amounts available in the Debt Service Fund of $33,980,000 totaled $29,485,000. The statutory limit at that date was $2,664,736,000 providing a debt margin of $2,635,251,000.

**Debt Covenants**

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. Management believes the County is in compliance with all such significant financial limitations and restrictions.

**Notes Payable**

The Enterprise Funds have several Georgia Environmental Facilities Authority (GEFA) loans for the construction and acquisition of buildings and equipment. Notes payable outstanding as of December 31, 2010, are as follows (in thousands of dollars):

| Enterprise Funds | Interest Rates % | Interest Dates | Maturity Dates | Notes Payable January 1, 2010 | Additions | Retirements | Notes Payable December 31, 2010 |
|---|---|---|---|---|---|---|---|
| GEFA (CW13089701) | 2.00 | Monthly | 4/1/12 | $ 571 | $ - | $ 241 | $ 330 |
| GEFA (88-069WQ) | 6.25 | Monthly | 4/1/11 | 120 | - | 89 | 31 |
| GEFA (CW4005PA) | 3.00 | Monthly | 11/1/28 | 51,614 | 6,299 | 8,330 | 49,583 |
| GEFA (CW03-002NP) | 3.00 | - | - | 4,968 | 385 | - | 5,353 |
| GEFA (09-055) | 3.00 | - | - | 276 | 1,251 | 276 | 1,251 |
| | | | | $ 57,549 | $ 7,935 | $ 8,936 | $ 56,548 |

The annual requirements to pay the notes outstanding at December 31, 2010, including interest of approximately $57,181,000, are as follows (in thousands of dollars):

| Year Ended December 31 | Principal | Interest | Enterprise Funds |
|---|---|---|---|
| 2011 | $ 2,051 | $ 1,286 | $ 3,337 |
| 2012 | 1,910 | 1,228 | 3,138 |
| 2013 | 1,883 | 1,170 | 3,053 |
| 2014 | 1,940 | 1,113 | 3,053 |
| 2015 | 2,000 | 1,055 | 3,055 |
| 2016 – 2020 | 10,948 | 4,324 | 15,272 |
| 2021 – 2025 | 12,717 | 2,552 | 15,269 |
| 2026 – 2030 | 10,400 | 604 | 11,004 |
| | $ 43,849 | $ 13,332 | $ 57,181 |

The three notes drawn in 2010 related to projects which are still under construction. Loan number CW4005PA has three phases. Phases I and II were in repayment status as of year-end. These notes are similar to construction loans for which a repayment schedule will not be determined until completion of the projects.

**Operating Lease Commitments**

The County leases certain equipment under operating leases. Rental expense for all operating leases aggregated $5,623,470 for the year ended December 31, 2010. There were no significant future minimum rental payments, contingent rentals, or sublease rentals associated with leases in effect at December 31, 2010.

**Conduit Debt**

From time to time, the Development Authority, a discretely presented component unit, has issued Industrial Development Revenue Bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be of public interest. Neither the Development Authority, the County, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were 45 series of industrial development bonds issued from January 1, 1996, to December 31, 2010, totaling $710,327,113. The total amount of those bonds outstanding as of December 31, 2010, was $597,650,013.

The aggregate principal amount outstanding for the 84 series issued prior to December 31, 1995, could not be determined; however, their original issue amounts totaled approximately $231.5 million.

## Note 9.

## Interfund Balances and Transfers

There were no interfund receivables and payables as of year-end.

| | TRANSFER FROM | | | | | | |
|---|---|---|---|---|---|---|---|
| TRANSFER TO | General | 1997 Sales Tax | Water & Sewer | Stormwater | Non-major Governmental | Non-major Enterprise | Total |
| General | $ - | $ - | $ 90 | $ 51 | $ 577 | $ 36 | $ 754 |
| Other Capital Project | 16,058 | - | - | - | 4,726 | - | 20,784 |
| 2009 Sales Tax | - | 1,209 | - | - | 447 | - | 1,656 |
| Water & Sewer | - | - | - | - | 74 | - | 74 |
| Stormwater | - | - | - | - | 2,436 | - | 2,436 |
| Non-major Governmental | 10,113 | - | - | - | 1,188 | - | 11,301 |
| Non-major Enterprise | 2,414 | - | - | - | - | - | 2,414 |
| Internal Service | - | - | - | - | 336 | - | 336 |
| Total | $ 28,585 | $ 1,209 | $ 90 | $ 51 | $ 9,784 | $ 36 | $ 39,755 |

The majority of transfers are from the General Fund to capital projects funds to fund ongoing and planned projects. The General Fund also transfers funds to the Transit Enterprise Fund to cover operating deficits. In 2010, $10 million was transferred from the General Fund to the Debt Service Fund for future debt payments. Additionally, the governmental activities transferred capital assets with a net book value of $145,000 to the Water and Sewerage Fund.

## Note 10.

## Risk Management

### A. Liability, Property, and Workers Compensation

It is the policy of the County not to purchase commercial insurance for various types of losses to which it is exposed. Instead the County management believes it is more economical to manage its risks by purchasing limited liability coverages and internally setting aside assets for claim settlement in its Risk Management, Workers' Compensation and Automobile Liability Funds, all internal service funds. The Risk Management Fund, services claims for the County resulting from general liability, errors and omissions, law enforcement liability, physical damage to County vehicles, and property risks. The Automobile Liability Fund services claims for the County resulting from automobile liability risks. The Workers' Compensation Fund services claims for the County resulting from workers' compensation risks. All departments, agencies, and authorities of the County participate in these funds. The Risk Management Fund, Workers' Compensation, and Automobile Liability Funds allocate the cost of providing claims service and claims payment by charging a "premium," which is an allocation, to each department, agency, or public authority. These charges, which consider recent trends in actual claims experience of the County as a whole, are accounted for as inter-fund services provided and used. The County self-funds up to $2,000,000 for general liability, errors and omissions, and law enforcement liability, with excess coverage of $20,000,000. The County fully self-funds the automobile liability exposure up to $500,000 for bodily injury or death of any one person in any one occurrence with an annual aggregate of $700,000 for bodily injury or death of two or more persons in any one occurrence and $50,000 because of injury to, or destruction of property in any one occurrence and relies on governmental immunity above these levels. The County purchases direct coverage for property and crime insurance with a limit of $1,200,000,00 and $2,000,000, respectively. These policies provide for a $100,000 deductible on property damage and $10,000 deductible on fidelity claims. In addition, the County purchases direct coverage for off-duty and reservists police and sheriff liability with a limit of $1,000,000; fiduciary liability with a limit of $15,000,000; and aviation coverage for the airport and helicopters with limits of $50,000,000 and $20,000,000, respectively. The County is self-funded depending on the year from $250,000 to $750,000 per occurrence for workers' compensation. Amounts exceeding this are covered by an excess workers' compensation policy. Settlement claims have not exceeded coverage in the past three fiscal years.

Between June 1, 2002 and December 31, 2007, the County joined together with other counties in the state as part of the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund Large Deductible Program. This is a public entity risk pool currently operating as a workers' compensation insurance program for member local governments. The Association County Commissioners of Georgia administers the workers' compensation pool. As part of the Group Self-Insurance Workers' Compensation Fund, the County is obligated to pay all claims, contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, and finalize all of our claims as soon as possible. The County also allows the pool's agents and attorneys to represent the County in investigations, settlement discussions and all level of litigation out of any claim made against the County for workers' compensation within the scope of claims protection furnished by the fund. The County is responsible to reimburse the fund for various deductibles of any claim between June 1, 2002

and December 31, 2007. Deductibles varied from $250,000 to $600,000 depending on the year. Amounts exceeding the various deductibles are covered by an excess workers' compensation policy. The fund is responsible to defend and protect members of the fund in accordance with workers' compensation law of Georgia. In 2008 Gwinnett County was a part of the Association County Commissioners of Georgia Self-Insurance Workers' Compensation Fund Large Deductible Program due to open claims that occurred between June 1, 2002 and December 31, 2007. However, starting January 1, 2008, Gwinnett County left the Association County Commissioners of Georgia Self-Insurance Workers' Compensation Fund Large Deductible Program for any new claims and became independently self-insured. The County hired a third party administrator, Alternative Service Concepts, Inc., to handle our claims. The County is responsible for the first $750,000 of any claim and amounts exceeding the $750,000 deductible are covered by an excess workers' compensation policy.

Outstanding liabilities are reported when it is probable a loss has occurred and the amount of that loss may be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards; therefore, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities may be discounted; that is, they will reflect potential investment income that is expected to be earned on the loss reserves until they are paid.

Changes in the balances of claims liabilities for each of the years in the two-year period ended December 31, 2010, were as follows:

| | Beginning of Fiscal-Year Liability | Current-Year Claims and Changes in Estimates | Claims Payments | Balance at Fiscal Year-End |
|---|---|---|---|---|
| 2010 | $ 7,752,000 | 4,363,302 | 4,779,302 | 7,336,000 |
| 2009 | $ 8,972,000 | 1,729,564 | 2,949,564 | 7,752,000 |

At December 31, 2010, the Risk Management Fund held $32,959,000 in cash and cash equivalents available for payment of these claims.

**B. Group Health Insurance**

The County accounts for the risks associated with the employee's health insurance plan in the Group Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The County maintains specific stop loss coverage in the amount of $175,000 per covered individual to reduce the exposure from catastrophic claims. Two third-party administrators are employed to process claims for the group insurance health program. The County has not experienced any significant decreases in insurance coverage.

Changes in balances of claims liabilities for the Group Insurance Fund during 2010 and 2009 are as follows:

| | Beginning of Fiscal-Year Liability | Current-Year Claims and Changes in Estimates | Claims Payments | Balance at Fiscal Year-End |
|---|---|---|---|---|
| 2010 | $ 3,735,000 | 21,103,000 | 20,780,000 | 4,058,000 |
| 2009 | $ 3,560,000 | 36,411,000 | 36,236,000 | 3,735,000 |

At December 31, 2010, The Group Insurance Fund held $9,696,000 cash and cash equivalents available for payment of these claims.

**2010 Claims for Active Employees:**
For 2010, there were one thousand-nine hundred and thirty-seven (1,937) active employees electing medical coverage through the Gwinnett County Benefits Section. The County pays approximately 76% of the actuarial projected cost for medical and hospitalization costs incurred by these eligible participants. During the year, expenditures by type for the year ended December 31, 2010 are as follows (in Thousands of Dollars):

1,937 Active Employees

| | | |
|---|---|---|
| Administrative Costs | $ | 1,285 |
| Stop Loss Insurance | | 502 |
| Claims Experience | | 20,780 |
| Total | $ | 22,567 |

## Note 11.

## Deferred Compensation Plan

The County maintains a Section 457(b) Deferred Compensation Plan administered by a third party. As a result, the assets and liabilities of the plan are not recorded on the County's financial statements. All contributions to this plan are voluntary employee contributions.

## Note 12.

## Pensions

### A. Plan Description

The Gwinnett County Public Employees Retirement System (the "Plan") is a single-employer defined benefit pension plan. The present plan covers all employees of Gwinnett County who are members of the Defined Benefit Pension Plan. The Plan was created as a successor to a previous plan by action of the Board of Commissioners on September 19, 2006. The Retirement Plans Management Committee, composed of seven members who serve without compensation by the Plan, is the Trustee of the Plan. BNY Mellon Bank is the Custodian for the Plan. Great-West Retirement Services is the Third Party Administrator of the Plan. Benefit provisions and contribution requirements are established and may be amended by the Retirement Plans Management Committee, subject to approval by the Gwinnett County Board of Commissioners.

#### General

The following brief description of the pension plan terms is provided for general information purposes only. Participants should refer to the plan document for more complete information.

Gwinnett County previously participated in the agent-multiple employer Association County Commissioners of Georgia Defined Benefit Plan and the Association County Commissioner of Georgia Defined Benefit Plan Master Trust Agreement sponsored by the Association of County Commissioners of Georgia. Having determined that it was in the best interest of the County and plan participants and beneficiaries, the County established the Gwinnett County Defined Benefit Plan, effective January 1, 2007, as a single employer, locally governed plan for the benefit of its employees and other eligible individuals as provided for in the Plan Document. Assets held in the Association County Commissioner of Georgia Defined Benefit Plan Master Trust for the benefit of Gwinnett County Employees were transferred to the Plan in 2007.

#### Retirement Options/Benefit Provisions

Normal retirement age under the Plan is 65. Employees having an employment or reemployment date prior to November 1, 2004, become fully vested after three years of service. Employees having an employment or reemployment date after November 1, 2004, become fully vested after five years of service.

Early retirement means the following when a Participant becomes eligible:
*Schedule A:* After the completion of 30 years of vesting service an employee will be eligible for an unreduced early retirement pension. A Participant will be entitled to a reduced early retirement pension on the later of the date he attains 60 years of age and completes 10 years of service.

*Schedule B or C:* An employee becomes eligible upon: (1) completion of 30 years of vesting service; or (2) the later of the date he attains 50 years of age and his age combined with his years of vesting service equals or exceeds 75. A Participant will be entitled to a reduced early retirement pension on the later of the date he attains 60 years of age and completes 10 years of service.

Normal retirement benefits are based on a participant's average monthly compensation for the highest 60 consecutive months of credited service out of the employee's last 120 months of credited service prior to termination of employment. Normal retirement factor is 2.25 percent of Participant's average monthly compensation multiplied by years of full-time credited service for Schedule A and B. Normal retirement factor is 2.5 percent of participant's average monthly compensation multiplied by years of full-time credited service for Schedule C.

Participants who retire will receive a cost of living increase as follows:

*Schedule A:* There is no cost of living adjustment for benefits provided under Schedule A.

*Schedule B or C:* A Participant receiving retirement, disability pension, survivor, or deferred vested benefits under the provisions of any of the Employee Contributory Plans shall be entitled to a cost of living adjustment of his benefit in the amount of one percent per year.

A Participant who, prior to satisfying the requirements for a normal, early, or reduced retirement pension shall be entitled to receive a Disability Pension if the Participant has completed 10 years of full-time service and is determined to be totally disabled by the Social Security Administration prior to the Participant's termination of employment.

Joint and Survivor retirement benefits to a participant's designated beneficiary are provided by the Plan, as well as a 10 years certain benefit option.

A Post Retirement Death Benefit of up to $15,000 (payable in a lump sum) is provided for each participant receiving an early, reduced, normal, or late retirement pension.

**Eligibility**

Full-time employees with an employment or re-employment commencement date before December 31, 2006, who did not elect to participate in the Defined Contribution Plan are eligible to participate in the Plan.

Employees hired or rehired after January 1, 2007; County Commissioners, other Elected Officials and Appointed Officials with an employment or reemployment date after August 1, 2000; and employees who elected to participate in the Defined Contribution Plan are excluded from participation in the Defined Benefit Plan. The Defined Benefit Plan is closed to new entrants.

**Fund Membership**

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the Plan as of January 1, 2010.

| Plan Membership as of January 1, 2010 | |
|---|---|
| Retirees, beneficiaries and disabled participants receiving benefits | 1,343 |
| Terminated plan members entitled to but not receiving benefits | 994 |
| Active plan members | 2,462 |
| Total | 4,799 |

Complete financial statements for the Gwinnett County Defined Benefit Plan can be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

**B. Contributions**

Gwinnett County is required to contribute an actuarially determined amount annually to the Plan's trust. The required contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Effective January 1, 2010, plan year, the required contribution rate, for County contributions, as a percent of pensionable earnings was set at 20.56 percent. The employees were required to contribute at an average rate of 5.5 percent of pensionable earnings.

The chart below shows County costs and contributions for the year ended December 31, 2010, for the current Defined Benefit Pension Plan and the prior two years.

Schedule of Employer Cost and Contributions (in thousands of dollars)

| Fiscal Year | Annual Pension Cost | Actual County Contribution | Percentage of APC Contributed | Net Pension Asset End of Year |
|---|---|---|---|---|
| 2010 | $ 31,816 | $ 60,947 | 192% | $ 109,001 |
| 2009 | 26,360 | 37,535 | 142% | 79,870 |
| 2008 | 31,715 | 28,828 | 91% | 68,696 |

The County's annual pension cost and net pension asset for the current year were as follows:

| | |
|---|---|
| Annual required contribution | $ 27,505,949 |
| Interest from net pension asset | (6,389,617) |
| Adjustment of net pension asset | 10,699,595 |
| Annual pension cost | 31,815,927 |
| Actual contributions to plan | 60,946,966 |
| Increase (Decrease) in net pension asset | 29,131,039 |
| Net pension assets as of January 1, 2010 | 79,870,209 |
| Net pension assets as of December 31, 2010 | $ 109,001,248 |

**C. Defined Benefit Pension Plan**

As of the most recent valuation date, January 1, 2010, the funded status of the Plan was as follows:

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (AAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 1/1/10 | $ 533,811,000 | $ 760,822,036 | $ 227,011,036 | 70.2% | $ 132,626,195 | 171.2% |

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010. The assumptions used in the January 1, 2010, actuarial valuation are as follows:

**Actuarial Assumptions:**

| | |
|---|---|
| Cost Method | Projected Unit Credit |
| Actuarial Asset Valuation Method | Five-year smoothed market value |
| Assumed Rate of Return on Investments | 8.0% (includes inflation of 3.0%) |
| Projected Salary Increases | 4.5 – 5.5% (includes inflation of 3.0%) |
| Cost-of-Living Adjustment | 1.0% |
| Amortization Method | Level Percent of Pay (closed) |
| Remaining Amortization Period | 17 years |

**D. Defined Contribution Pension Plan**

The Gwinnett County Defined Contribution Pension Plan (the "Plan") is a defined contribution pension plan established by Gwinnett County on August 1, 2000, to provide retirement benefits for appointed and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new participants. The Plan is administered by Great-West Retirement Services. On December 31, 2010, there were 2,213 active participants. Plan participants are required to make a one-time, irrevocable election of either 2.5, 5.0, or 7.5 percent contribution of their pensionable earnings, and the County is required to contribute 11.5 percent of pensionable earnings (for employees hired prior to January 1, 2007) or 7.0 percent of pensionable earnings (for employees hired after January 1, 2007). Plan provisions and contribution requirements are established by and may be amended by the County Board of Commissioners within the scope of all applicable laws. The effective date of the plan was August 1, 2000. For the year ended December 31, 2010, the amount contributed by employees was $3,785,472. The amount contributed by the County was $8,373,387. Effective January 1, 2007, a one percent match of pensionable earnings for each employee who contributes at least 2.5 percent to their 457(b) account is made by the County to the Plan.

The Defined Contribution Pension Plan also contains an additional benefit – the Retiree Medical Savings Plan (401h). This plan is also administered by Great-West Retirement Services. All contributions to this plan are made by the County at 1.5 percent of pensionable earnings. This plan is for employees hired prior to January 1, 2007. Upon retirement, employees may receive disbursements from this account for eligible medical expenses. In 2010, the County contributed $561,244 to this plan. Persons leaving County employment prior to retirement forfeit all rights or claims against the medical savings program and those funds are returned to the program for payment of expenses or redistribution in accordance with IRS *§401h*.

## Note 13.

## Other Post Employment Benefits

**A. Plan Description**

The Gwinnett County Retirement System Health Insurance Plan (the "OPEB Plan") is a single-employer defined benefit post-retirement health care plan, or other post employment benefit (OPEB) plan. The Gwinnett County OPEB Trust is an irrevocable trust established pursuant to Section 115 of the Internal Revenue Code for the purpose of pre-funding other post-employment benefits provided under its welfare benefit plans in accordance with GASB Statement 43 and GASB Statement 45.

The trust was established, effective January 1, 2007, by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and other former employees (and their eligible dependents) who are eligible for such benefits under existing County policy. The Retirement Plans Management Committee, composed of seven members who serve without compensation by the OPEB Plan, is the Trustee of the Plan. BNY Mellon Bank is the Custodian for the Trust. Benefit provisions and contribution requirements are established and may be amended by the County Administrator.

**General**

The following brief description of the OPEB plan terms is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

**Retirement Options/Benefit Provisions**

Eligible retirees and former employees are offered the same health and prescription drug coverage as active employees. Retirees pay approximately 37 percent of actuarially calculated and self-supporting monthly rates. The County contributes the remainder of the rates, but it caps its contribution at specific monthly limits. Participants pay 100 percent of the cost of vision and dental coverage.

**Eligibility**

Eligible participants for Other Post-Employment Benefits include:

1. Retirees who retired directly from Gwinnett County and who elected to enroll in the retiree medical benefit plan
2. Retirees who retired directly from Gwinnett County and who elected to enroll in another, similar retiree medical benefit plan and who subsequently lost that other coverage
3. Surviving beneficiaries receiving a Gwinnett County pension
4. Ex-elected officials who complete one full-term in office and who upon leaving office have no similar group health plan available to them
5. Certain disabled former employees

**Fund Membership**

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of January 1, 2010.

| | |
|---|---|
| Active participants | 4,308 |
| Retirees and beneficiaries | 1,800 |
| Total | 6,108 |

Complete financial statements for the Gwinnett County Retirement System Health Insurance Plan can be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

**B. Contributions**

Gwinnett County in 2010 contributed an actuarially determined amount to the OPEB Plan's trust. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in GASB *Statement 45*.

Schedule of Employer Cost and Contributions (in thousands of dollars)

| Fiscal Year | Annual OPEB Cost | Actual County Contribution | Percentage of AOPEBC Contributed | Net OPEB Asset End of Year |
|---|---|---|---|---|
| 2010 | $ 15,098 | $ 26,840 | 177.77% | $ 19,766 |
| 2009 | $ 14,245 | $ 16,521 | 115.98% | $ 8,024 |
| 2008 | $ 15,235 | $ 14,574 | 96% | $ 5,748 |

The County's annual OPEB cost and net OPEB asset for the current year were as follows:

| | |
|---|---|
| Annual required contribution | $ 15,219,288 |
| Interest from net OPEB asset | (561,694) |
| Adjustment of net OPEB asset | 440,395 |
| Annual OPEB cost | 15,097,989 |
| Actual contributions to plan | 26,840,151 |
| Increase in net OPEB asset | 11,742,162 |
| Net OPEB asset as of December 31, 2009 | 8,024,194 |
| Net OPEB asset as of December 31, 2010 | $ 19,766,356 |

**C. OPEB Plan**

As of the most recent valuation date, January 1, 2010, the funded status of the OPEB Plan was as follows:

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (AAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 1/1/10 | $ 28,135,000 | $ 200,041,182 | $ 171,906,182 | 14.06% | $ 212,204,480 | 81.01% |

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010. The assumptions used in the January 1, 2010, actuarial valuation is as follows:

**Actuarial Assumptions:**

| | |
|---|---|
| Cost Method | Projected Unit Credit |
| Actuarial Asset Valuation Method | Market value |
| Assumed Rate of Return on Investments | 7.0% (includes inflation of 3.0%) |
| Healthcare Cost Trend Rate | 10.5% (includes inflation of 3.0%) |
| Ultimate Healthcare Trend Rate | 5.0% |
| Year of Ultimate Trend Rate | 2017 |
| Amortization Method | Level Percent of Pay (open) |
| Remaining Amortization Period | 30 years |

## Note 14.

## Reserved and Designated Fund Balances

It is the County's policy that a minimum of two months of the total General Fund expenditures for the immediately preceding fiscal year be maintained as a designated portion of fund balance. The County designated General Fund fund balance at December 31, 2010, totaling 16.7 percent of the preceding fiscal year's General Fund expenditures (including transfers out).

Reserved and designated fund balances in the various funds as of December 31, 2010, are as follows (in thousands of dollars):

| Reserved for: | General | 2009 Sales Tax | Other Governmental |
|---|---|---|---|
| Inventories | $ 1,261 | $ - | $ 168 |
| Prepaid items | 4,434 | 63 | 12 |
| Tourism | - | - | 4,843 |
| Total | $ 5,695 | $ 63 | $ 5,023 |

| Designated for: | | | |
|---|---|---|---|
| Operating stability | $70,180 | $ - | $ - |
| Hospital authority | 5,000 | - | - |
| Capital | 15,800 | - | - |
| Budget stabilization reserve | 9,000 | - | - |
| Tourism | - | - | 220 |
| Total | $ 99,980 | $ - | $ 220 |

## Note 15.

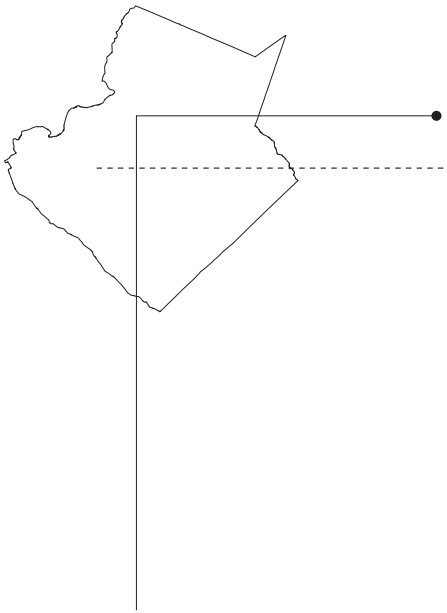
## Contingencies

### A. Litigation

The County is a defendant in a number of legal actions in the nature of claims for alleged damages to persons and property, wrongful death, violation of civil rights, employment issues, and other similar types of actions arising in the course of County operations. There are a number of these wrongful death, civil rights, and personal injury cases pending against the County, which in the aggregate, create a significant risk of liability exposure to the County. Management believes based upon the opinion of legal counsel that current reserves in the Risk Management Fund should be adequate to cover this exposure.

### B. Grants

The County participates in a number of federal financial assistance programs. These programs are subject to independent financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, will not have a material effect on the County's financial position.



# required supplementary information

## Required Supplementary Information
## Defined Benefit Pension Plan

Required Supplementary Information Schedule of Funding Progress (unaudited) (in thousands of dollars)

| Actuarial Valuation Date (12/31) | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) | (3) Funded Ratio (1)/(2) | (4) Unfunded AAL (UAAL) (2) – (1) | (5) Annual Covered Payroll (Prior year) | (6) UAAL as a Percentage of Covered Payroll (4)/(5) |
|---|---|---|---|---|---|---|
| 2009 | $ 533,811 | $ 760,822 | 70.2% | $ 227,011 | $ 132,626 | 171.2% |
| 2008 | $ 504,918 | $ 678,299 | 74.4% | $ 173,381 | $ 164,392 | 105.5% |
| 2007 | $ 481,198 | $ 607,599 | 79.2% | $ 126,401 | $ 167,233 | 75.6% |

The assumptions used in the preparations of the above schedules are disclosed in ***Note 12*** to the financial statement.

Complete financial statements for the Gwinnett County Defined Benefit Plan can be obtained at the Gwinnett County Department of Financial Services located at:

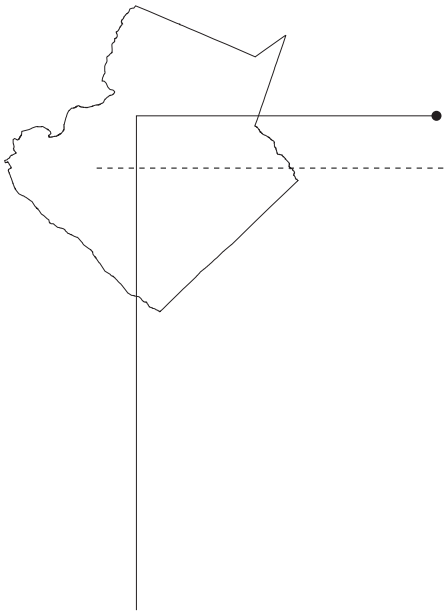
75 Langley Drive
Lawrenceville, GA 30046

## Required Supplementary Information
## Other Post-Employment Benefits

Required Supplementary Information Schedule of Funding Progress (unaudited) (in thousands of dollars)

| Actuarial Valuation Date (12/31) | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) | (3) Funded Ratio (1)/(2) | (4) Unfunded AAL (UAAL) (2) – (1) | (5) Annual Covered Payroll (Prior year) | (6) UAAL as a Percentage of Covered Payroll (4)/(5) |
|---|---|---|---|---|---|---|
| 2009 | $ 28,135 | $ 200,041 | 14.06% | $ 171,906 | $ 212,204 | 81.01% |
| 2008 | $ 17,788 | $ 166,922 | 10.66% | $ 149,134 | $ 225,465 | 66.15% |
| 2007 | $ 16,646 | $ 159,202 | 10.46% | $ 142,556 | $ 213,050 | 66.91% |

For actuarial assumptions used in the actuarial valuation above, refer to ***Note 13*** of the financial statements.



# governmental funds



## Non-Major Governmental Funds
## Special Revenue

**Street Lighting Fund**
The street lighting fund is used to account for revenues derived from special assessments against properties benefiting from street lighting. The fund supports the County's street lighting program that provides residential and commercial property owners a method for lighting the roads within their neighborhoods and developments.

**Speed Hump Fund**
The speed hump fund is used to account for revenues derived from special assessments against properties benefiting from speed humps. The fund supports the County's speed hump program that provides residential and commercial property owners a method of reducing speed within their neighborhoods and developments.

**Tree Bank Fund**
This fund is used to account for all financial transactions relating to the tree preservation and replacement plan in accordance with the Gwinnett County *Buffer, Landscape and Tree Ordinance.*

**Sheriff Special Operations Fund**
This fund is used to account for all financial transactions related to the confiscated funds and/or property resulting from action against various criminal elements by the Sheriff's Department. By law, these funds must be used to combat illegal activities or for other law enforcement purposes.

**Police Special Investigations Fund**
This fund is used to account for all financial transactions related to confiscated funds and/or property resulting from action against various criminal elements by Police Services. By law, these funds must be used to combat illegal activities or for other law enforcement purposes.

**Crime Victims Assistance Fund**
This fund is used to account for revenues derived from a 5 percent fee added to all municipal, state, superior, magistrate, and recorder's court fines. This fund was established to comply with state legislation that was passed in 1996 requiring the additional fee. The funding can only be used to support approved crime victims assistance programs in the County.

**DA Special Operations Fund**
This fund is used to account for all financial transactions related to the confiscated funds and/or property resulting from action against various criminal elements by the District Attorney's office. By law, these funds must be used to combat illegal activities or for other law enforcement purposes.

**Corrections Inmate Welfare Fund**
This fund is used to account for revenues derived from the sale of items at the County's corrections facility. Proceeds are used to provide recreational materials, equipment, and educational programs for the benefit of inmates.

**Sheriff Inmate Store Fund**
This fund is used to account for revenues derived from the sale of items to inmates at the County's Pre-Trial Detention Center. Proceeds are used to provide recreational materials, equipment, and educational programs for the benefit of the detainees.

**E-911 Fund**
The Emergency 911 Fund is used to account for the financial transactions related to the operation of the E-911 system. Operational funds are primarily derived from the monthly subscriber fees paid via subscribers' telephone bills.

**Recreation District Funds**
Recreation District Funds include the combined accounts of the Recreation Authority and the Recreation Fund, which are used to account for the operations and maintenance of County parks and recreational facilities. Financing is provided by a specific annual property tax levy and miscellaneous revenues including admissions, concessions, and sports activity fees.

**Grant Funds**
The Grant Funds are used to account for funds received under federal and state grant programs and the matching transfers from other funds.

**Tourism Fund**
The Tourism Fund is used to account for the portion of hotel/motel tax set aside to promote tourism. These funds are appropriated in accordance with *O.C.G.A 48-13-51*. The law requires that a portion of the seven cent hotel/motel tax must be set aside for the promotion of tourism operations of the Civic Center. The County has a contract with the Gwinnett Convention and Visitors Bureau to meet these requirements.

**Tourism Sustainability Fund**
The Tourism Sustainability Fund is used to account for hotel/motel taxes which are set aside for the promotion of tourism.

**Stadium Fund**
The Stadium Fund is used to account for all transactions relating to the financing of Coolray Field. Revenues are primarily derived from excise taxes on rental vehicles, stadium rental fees, ticket surcharge, parking surcharge, and naming rights.

## Debt Service Fund

**Debt Service Fund**
This fund is used to specifically account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenue is derived principally form a countywide property tax levied for debt services.

## Other Governmental Funds Combining Balance Sheet December 31, 2010

**(in thousands of dollars)**

| | Street Lighting | Speed Hump | Tree Bank Fund | Sheriff Special Operations | Police Special Investigations | Crime Victims Assistance |
|---|---|---|---|---|---|---|
| **ASSETS:** | | | | | | |
| Cash and cash equivalents | $ 4,562 | 1,022 | 38 | 1,379 | 7,649 | 1,543 |
| Investments | - | - | - | - | - | - |
| Receivables, net of allowance: | | | | | | |
| Taxes | 473 | 6 | - | - | - | - |
| Accounts | - | - | - | 9 | - | - |
| Inventories | - | - | - | - | - | - |
| Prepaid assets | - | - | - | - | - | - |
| Total assets | $ 5,035 | 1,028 | 38 | 1,388 | 7,649 | 1,543 |
| **LIABILITIES AND FUND BALANCES:** | | | | | | |
| Accounts Payable | $ 526 | - | - | - | 19 | 1 |
| Payroll payable | - | - | - | - | - | 7 |
| Deferred revenue | 398 | 5 | - | - | - | - |
| Total liabilities | 924 | 5 | - | - | 19 | 8 |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Inventories | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Tourism | - | - | - | - | - | - |
| Total reserved fund balances | - | - | - | - | - | - |
| Unreserved, designated for, reported in: | | | | | | |
| Tourism (parking deck) | - | - | - | - | - | - |
| Unreserved, undesignated, reported in: | | | | | | |
| Special revenue funds | 4,111 | 1,023 | 38 | 1,388 | 7,630 | 1,535 |
| Debt service funds | - | - | - | - | - | - |
| Total unreserved | 4,111 | 1,023 | 38 | 1,388 | 7,630 | 1,535 |
| Total fund balances | 4,111 | 1,023 | 38 | 1,388 | 7,630 | 1,535 |
| Total liabilities and fund balances | $ 5,035 | 1,028 | 38 | 1,388 | 7,649 | 1,543 |

| Special Revenue Funds | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DA Special Operations | Corrections Inmate Welfare | Sheriff Inmate Store | E-911 | Recreation District | Grant | Tourism | Tourism Sustainability | Stadium | Total | Debt Service | Total Other Governmental Funds |
| 471 | 111 | 1,484 | 11,609 | 8,361 | 3,408 | 1,398 | 4,843 | 625 | 48,503 | 33,718 | 82,221 |
| - | - | - | 23,250 | - | - | - | - | - | 23,250 | - | 23,250 |
| - | - | - | - | 2,395 | - | - | - | - | 2,874 | 1,157 | 4,031 |
| 3 | - | - | - | - | 4,042 | 422 | - | 126 | 4,602 | - | 4,602 |
| - | - | - | - | 168 | - | - | - | - | 168 | - | 168 |
| - | - | - | - | 12 | - | - | - | - | 12 | - | 12 |
| 474 | 111 | 1,484 | 34,859 | 10,936 | 7,450 | 1,820 | 4,843 | 751 | 79,409 | 34,875 | 114,284 |
| - | 31 | 18 | 311 | 709 | 2,263 | 368 | - | - | 4,246 | - | 4,246 |
| - | 1 | - | - | 175 | - | - | - | - | 183 | - | 183 |
| - | - | - | - | 1,832 | - | - | - | - | 2,235 | 895 | 3,130 |
| - | 32 | 18 | 311 | 2,716 | 2,263 | 368 | - | - | 6,664 | 895 | 7,559 |
| - | - | - | - | 168 | - | - | - | - | 168 | - | 168 |
| - | - | - | - | 12 | - | - | - | - | 12 | - | 12 |
| - | - | - | - | - | - | - | 4,843 | - | 4,843 | - | 4,843 |
| - | - | - | - | 180 | - | - | 4,843 | - | 5,023 | - | 5,023 |
| - | - | - | - | - | - | 220 | - | - | 220 | - | 220 |
| 474 | 79 | 1,466 | 34,548 | 8,040 | 5,187 | 1,232 | - | 751 | 67,502 | - | 67,502 |
| - | - | - | - | - | - | - | - | - | - | 33,980 | 33,980 |
| 474 | 79 | 1,466 | 34,548 | 8,040 | 5,187 | 1,452 | - | 751 | 67,722 | 33,980 | 101,702 |
| 474 | 79 | 1,466 | 34,548 | 8,220 | 5,187 | 1,452 | 4,843 | 751 | 72,745 | 33,980 | 106,725 |
| 474 | 111 | 1,484 | 34,859 | 10,936 | 7,450 | 1,820 | 4,843 | 751 | 79,409 | 34,875 | 114,284 |

## Other Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended December 31, 2010

**(in thousands of dollars)**

| | Street Lighting | Speed Hump | Tree Bank Fund | Sheriff Special Operations | Police Special Investigations | Crime Victims Assistance |
|---|---|---|---|---|---|---|
| **REVENUES:** | | | | | | |
| Taxes | $ - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | 6,181 | 113 | 17 | - | - | - |
| Fines and forfeitures | - | - | - | 1,057 | 4,801 | 896 |
| Investment income | 4 | - | - | 1 | 6 | 3 |
| Change in fair value of investments | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | 33 | - |
| Total revenues | $ 6,185 | 113 | 17 | 1,058 | 4,840 | 899 |
| **EXPENDITURES:** | | | | | | |
| Current operating: | $ | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | 618 | - |
| Judiciary | - | - | - | 436 | - | 984 |
| Public works | 6,227 | 41 | - | - | - | - |
| Health and welfare | - | - | - | - | - | 63 |
| Culture and recreation | - | - | - | - | - | - |
| Grant programs | - | - | - | - | - | - |
| Tourism | - | - | - | - | - | - |
| Development authority | - | - | - | - | - | - |
| Capital outlay | - | - | - | 87 | 412 | - |
| Debt service | - | - | - | - | - | - |
| Total expenditures | 6,227 | 41 | - | 523 | 1,030 | 1,047 |
| Revenues in excess of (less than) expenditures | (42) | 72 | 17 | 535 | 3,810 | (148) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (1) | (1) | - | - | (182) | - |
| Other financing sources (uses), net | (1) | (1) | - | - | (182) | - |
| Net change in fund balances | (43) | 71 | 17 | 535 | 3,628 | (148) |
| Fund balances – January 1 | 4,154 | 952 | 21 | 853 | 4,002 | 1,683 |
| Fund balances – December 31 | $ 4,111 | 1,023 | 38 | 1,388 | 7,630 | 1,535 |

| Special Revenue Funds | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DA Special Operations | Corrections Inmate Welfare | Sheriff Inmate Store | E-911 | Recreation District | Grant | Tourism | Tourism Sustainability | Stadium | Total | Debt Service | Total Other Governmental Funds |
| - | - | - | - | 32,586 | - | 6,058 | - | 809 | 39,453 | 13,846 | 53,299 |
| - | - | - | - | 62 | 30,545 | - | - | 400 | 31,007 | 29 | 31,036 |
| - | 65 | 392 | 12,629 | 3,699 | - | - | - | 800 | 23,896 | - | 23,896 |
| 324 | - | - | - | - | - | - | - | - | 7,078 | - | 7,078 |
| - | 1 | 1 | 185 | 118 | 1 | 1 | 9 | - | 330 | 25 | 355 |
| - | - | - | (4) | - | - | - | - | - | (4) | - | (4) |
| - | 3 | - | 1 | 1,244 | 5,547 | - | - | - | 6,828 | - | 6,828 |
| 324 | 69 | 393 | 12,811 | 37,709 | 36,093 | 6,059 | 9 | 2,009 | 108,588 | 13,900 | 122,488 |
| | | | | | | | | | | | |
| - | - | - | - | - | - | 1 | - | - | 1 | - | 1 |
| - | 131 | - | 10,483 | - | - | - | - | - | 11,232 | - | 11,232 |
| 79 | - | 296 | - | - | - | - | - | - | 1,795 | - | 1,795 |
| - | - | - | - | - | - | - | - | - | 6,268 | - | 6,268 |
| - | - | - | - | - | - | - | - | - | 63 | - | 63 |
| - | - | - | - | 34,060 | - | - | - | - | 34,060 | - | 34,060 |
| - | - | - | - | - | 22,953 | - | - | - | 22,953 | - | 22,953 |
| - | - | - | - | - | - | 1,760 | - | - | 1,760 | - | 1,760 |
| - | - | - | - | - | - | 6,721 | - | 2,184 | 8,905 | - | 8,905 |
| - | - | - | - | - | 4,218 | - | - | - | 4,717 | - | 4,717 |
| - | - | - | - | 2,583 | - | - | - | - | 2,583 | 13,872 | 16,455 |
| 79 | 131 | 296 | 10,483 | 36,643 | 27,171 | 8,482 | - | 2,184 | 94,337 | 13,872 | 108,209 |
| 245 | (62) | 97 | 2,328 | 1,066 | 8,922 | (2,423) | 9 | (175) | 14,251 | 28 | 14,279 |
| | | | | | | | | | | | |
| - | - | - | - | - | 112 | 1,189 | - | - | 1,301 | 10,000 | 11,301 |
| - | - | - | (605) | (3,856) | (3,868) | (82) | (1,189) | - | (9,784) | - | (9,784) |
| - | - | - | (605) | (3,856) | (3,756) | 1,107 | (1,189) | - | (8,483) | 10,000 | 1,517 |
| 245 | (62) | 97 | 1,723 | (2,790) | 5,166 | (1,316) | (1,180) | (175) | 5,768 | 10,028 | 15,796 |
| 229 | 141 | 1,369 | 32,825 | 11,010 | 21 | 2,768 | 6,023 | 926 | 66,977 | 23,952 | 90,929 |
| 474 | 79 | 1,466 | 34,548 | 8,220 | 5,187 | 1,452 | 4,843 | 751 | 72,745 | 33,980 | 106,725 |

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## Budgetary Compliance

**Special Revenue Funds**
Schedule of revenues, expenditures, and changes in fund balance – budget and actual

**Capital Projects Funds**
Schedule of revenues, expenditures, and changes in fund balance – budget and actual

**Debt Service Fund**
Schedule of revenues, expenditures, and changes in fund balance – budget and actual

**Grant Fund**
Schedule of revenues and expenditures, project length – budget and actual

**Special Revenue Funds**
**Schedule of Revenues, Expenditures, and Changes In Fund Balance Budget and Actual (Budget Basis)**
**Year Ended December 31, 2010**
**(in thousands of dollars)**

| | Street Lighting | | | Speed Hump | | |
|---|---|---|---|---|---|---|
| | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) |
| **REVENUES:** | | | | | | |
| Taxes | $ 20 | 37 | 17 | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | 6,053 | 6,144 | 91 | 112 | 113 | 1 |
| Fines and forfeitures | - | - | - | - | - | - |
| Investment income | 20 | 4 | (16) | 1 | - | (1) |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | $ 6,093 | 6,185 | 92 | 113 | 113 | - |
| **EXPENDITURES:** | | | | | | |
| Current operating: | | | | | | |
| General government | $ - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Judiciary | - | - | - | - | - | - |
| Public works | 6,854 | 6,227 | 627 | 45 | 41 | 4 |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Grant programs | - | - | - | - | - | - |
| Development authority | - | - | - | - | - | - |
| Total expenditures | 6,854 | 6,227 | 627 | 45 | 41 | 4 |
| Revenues in excess of (less than) expenditures | (761) | (42) | 719 | 68 | 72 | 4 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | (1) | (1) | - | (1) | (1) |
| Other financing sources (uses), net | - | (1) | (1) | - | (1) | (1) |
| Revenues and other financing sources in excess of (less than) expenditures and other financing uses | (761) | (43) | 718 | 68 | 71 | 3 |
| Fund balance allocation | 761 | - | (761) | (68) | - | 68 |
| Fund balances – January 1 | - | 4,154 | 4,154 | - | 952 | 952 |
| Fund balances – December 31 | $ - | 4,111 | 4,111 | - | 1,023 | 1,023 |

| Tree Bank Fund | | | Sheriff Special Operations | | | Police Special Investigations | | | Crime Victims Assistance | | | DA Special Operations | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | 17 | 1 | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | 250 | 1,057 | 807 | 3,589 | 4,801 | 1,212 | 966 | 896 | (70) | 158 | 324 | 166 |
| - | - | - | 1 | 1 | - | 4 | 6 | 2 | 5 | 3 | (2) | - | - | - |
| - | - | - | - | - | - | 4 | 33 | 29 | - | - | - | - | - | - |
| 16 | 17 | 1 | 251 | 1,058 | 807 | 3,597 | 4,840 | 1,243 | 971 | 899 | (72) | 158 | 324 | 166 |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 1,386 | 1,030 | 356 | - | - | - | - | - | - |
| - | - | - | 809 | 523 | 286 | - | - | - | 1,102 | 984 | 118 | 79 | 79 | - |
| - | - | - | - | | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | 63 | 63 | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | 809 | 523 | 286 | 1,386 | 1,030 | 356 | 1,165 | 1,047 | 118 | 79 | 79 | - |
| 16 | 17 | 1 | (558) | 535 | 1,093 | 2,211 | 3,810 | 1,599 | (194) | (148) | 46 | 79 | 245 | 166 |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | (233) | (182) | 51 | - | - | - | - | - | - |
| - | - | - | - | - | - | (233) | (182) | 51 | - | - | - | - | - | - |
| 16 | 17 | 1 | (558) | 535 | 1,093 | 1,978 | 3,628 | 1,650 | (194) | (148) | 46 | 79 | 245 | 166 |
| (16) | - | 16 | 558 | - | (558) | (1,978) | - | 1,978 | 194 | - | (194) | (79) | - | 79 |
| - | 21 | 21 | - | 853 | 853 | - | 4,002 | 4,002 | - | 1,683 | 1,683 | - | 229 | 229 |
| - | 38 | 38 | - | 1,388 | 1,388 | - | 7,630 | 7,630 | - | 1,535 | 1,535 | - | 474 | 474 |

*continued…*

**Special Revenue Funds Schedule of Revenues, Expenditures, and Changes In Fund Balance Budget and Actual (Budget Basis)** – *continued*
**Year Ended December 31, 2010**
**(in thousands of dollars)**

| | Corrections Inmate Welfare | | | Sheriff Inmate Store | | |
|---|---|---|---|---|---|---|
| | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) |
| **REVENUES:** | | | | | | |
| Taxes | $ - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | 69 | 65 | (4) | 350 | 392 | 42 |
| Fines and forfeitures | - | - | - | - | - | - |
| Investment income | - | 1 | 1 | 1 | 1 | - |
| Miscellaneous | 9 | 3 | (6) | - | - | - |
| Total revenues | $ 78 | 69 | (9) | 351 | 393 | 42 |
| **EXPENDITURES:** | | | | | | |
| Current operating: | $ | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | 149 | 131 | 18 | - | - | - |
| Judiciary | - | - | - | 529 | 296 | 233 |
| Public works | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Grant programs | - | - | - | - | - | - |
| Development authority | - | - | - | - | - | - |
| Total expenditures | 149 | 131 | 18 | 529 | 296 | 233 |
| Revenues in excess of (less than) expenditures | (71) | (62) | 9 | (178) | 97 | 275 |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Other financing sources (uses), net | - | - | - | - | - | - |
| Revenues and other financing sources in excess of (less than) expenditures and other financing uses | (71) | (62) | 9 | (178) | 97 | 275 |
| Fund balance allocation | 71 | - | (71) | 178 | - | (178) |
| Fund balances – January 1 | - | 141 | 141 | - | 1,369 | 1,369 |
| Fund balances – December 31 | $ - | 79 | 79 | - | 1,466 | 1,466 |

| E-911 | | | Recreation District | | | Tourism | | | Tourism Sustainability | | | Stadium | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) | Budget | Actual (non-GAAP Budget Basis) | Variance-positive (negative) |
| - | - | - | 32,573 | 32,586 | 13 | 5,847 | 6,058 | 211 | - | - | - | 810 | 809 | (1) |
| - | - | - | 45 | 62 | 17 | - | - | - | - | - | - | 400 | 400 | - |
| 13,650 | 12,629 | (1,021) | 4,062 | 3,699 | (363) | - | - | - | - | - | - | 774 | 800 | 26 |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 213 | 185 | (28) | 95 | 118 | 23 | 1 | 1 | - | 8 | 9 | 1 | - | - | - |
| - | 1 | 1 | 1,366 | 1,244 | (122) | - | - | - | - | - | - | - | - | - |
| 13,863 | 12,815 | (1,048) | 38,141 | 37,709 | (432) | 5,848 | 6,059 | 211 | 8 | 9 | 1 | 1,984 | 2,009 | 25 |
| - | - | - | - | - | - | 1 | 1 | - | - | - | - | - | - | - |
| 13,557 | 10,483 | 3,074 | - | - | - | - | - | - | - | - | - | - | | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | 37,595 | 36,643 | 952 | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 1,817 | 1,760 | 57 | - | - | - | - | - | - |
| - | - | - | - | - | - | 6,731 | 6,721 | 10 | - | - | - | 2,185 | 2,184 | 1 |
| 13,557 | 10,483 | 3,074 | 37,595 | 36,643 | 952 | 8,549 | 8,482 | 67 | - | - | - | 2,185 | 2,184 | 1 |
| 306 | 2,332 | 2,026 | 546 | 1,066 | 520 | (2,701) | (2,423) | 278 | 8 | 9 | 1 | (201) | (175) | 26 |
| - | - | - | - | - | - | 1,189 | 1,189 | - | - | - | - | - | - | - |
| (631) | (605) | 26 | (3,856) | (3,856) | - | (326) | (82) | 244 | (1,189) | (1,189) | - | - | - | - |
| (631) | (605) | 26 | (3,856) | (3,856) | - | 863 | 1,107 | 244 | (1,189) | (1,189) | - | - | - | - |
| (325) | 1,727 | 2,052 | (3,310) | (2,790) | 520 | (1,838) | (1,316) | 522 | (1,181) | (1,180) | 1 | (201) | (175) | 26 |
| 325 | - | (325) | 3,310 | - | (3,310) | 1,838 | - | (1,838) | 1,181 | - | (1,181) | 201 | - | (201) |
| - | 32,825 | 32,825 | - | 11,010 | 11,010 | - | 2,768 | 2,768 | - | 6,023 | 6,023 | - | 926 | 926 |
| - | 34,552 | 34,552 | - | 8,220 | 8,220 | - | 1,452 | 1,452 | - | 4,843 | 4,843 | - | 751 | 751 |

## Capital Projects Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Budget Basis) Year Ended December 31, 2010

**(in thousands of dollars)**

| | 1997 Sales Tax | | | 2001 Sales Tax | | |
|---|---|---|---|---|---|---|
| | Budget | Actual | Variance-positive (negative) | Budget | Actual | Variance-positive (negative) |
| **REVENUES:** | | | | | | |
| Sale tax proceeds | $ - | - | - | - | - | - |
| Intergovernmental | - | - | - | 2,574 | 2,574 | - |
| Charges for services | - | - | - | - | - | - |
| Fines and Forfeitures | - | - | - | - | - | - |
| Investment income | 9 | 9 | - | 1,000 | 1,000 | - |
| Miscellanous | 17 | 16 | (1) | 23 | 23 | - |
| Total revenues | $ 26 | 25 | (1) | 3,597 | 3,597 | - |
| **EXPENDITURES:** | | | | | | |
| Capital outlay | $ 1,209 | 1,209 | - | 18,717 | 18,889 | (172) |
| Total expenditures | 1,209 | 1,209 | - | 18,717 | 18,889 | (172) |
| Revenues in excess of (less than) expenditures | (1,183) | (1,184) | (1) | (15,120) | (15,292) | (172) |
| **OTHER FINANCING SOURCES (USES):** | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Other financing sources (uses), net | - | - | - | - | - | - |
| Revenues and other financing sources in excess of (less than) expenditures and other financing uses | (1,183) | (1,184) | (1) | (15,120) | (15,292) | (172) |
| Fund balance allocation | 1,183 | - | (1,183) | 15,120 | - | (15,120) |
| Fund balances – January 1 as restated | - | 1,184 | 1,184 | - | 34,248 | 34,248 |
| Fund balances – December 31 | $ - | - | - | - | 18,956 | 18,956 |

| 2005 Sales Tax | | | 2009 Sales Tax | | | Other Capital Projects | | |
|---|---|---|---|---|---|---|---|---|
| Budget | Actual | Variance-positive (negative) | Budget | Actual | Variance-positive (negative) | Budget | Actual | Variance-positive (negative) |
| - | - | - | 128,594 | 128,594 | - | - | - | - |
| 1,619 | 1,619 | - | 3,912 | 3,912 | - | 2,633 | 564 | (2,069) |
| - | - | - | - | - | - | 67 | 67 | - |
| - | - | - | - | - | - | 257 | 258 | 1 |
| 6,382 | 5,390 | (992) | 743 | 743 | - | - | - | - |
| 241 | 243 | 2 | 100 | 95 | (5) | 362 | 422 | 60 |
| 8,242 | 7,252 | (990) | 133,349 | 133,344 | (5) | 3,319 | 1,311 | (2,008) |
| 50,573 | 50,573 | - | 73,105 | 72,789 | 316 | 10,211 | 10,709 | (498) |
| 50,573 | 50,573 | - | 73,105 | 72,789 | 316 | 10,211 | 10,709 | (498) |
| (42,331) | (43,321) | (990) | 60,244 | 60,555 | 311 | (6,892) | (9,398) | (2,506) |
| - | - | - | 1,985 | 1,656 | (329) | 20,756 | 20,784 | 28 |
| - | - | - | 1,985 | 1,656 | (329) | 20,756 | 20,784 | 28 |
| (42,331) | (43,321) | (990) | 62,229 | 62,211 | (18) | 13,864 | 11,386 | (2,478) |
| 42,331 | - | (42,331) | (62,229) | - | 62,229 | (13,864) | - | 13,864 |
| - | 160,927 | 160,927 | - | 48,972 | 48,972 | - | 46,090 | 46,090 |
| - | 117,606 | 117,606 | - | 111,183 | 111,183 | - | 57,476 | 57,476 |

**Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Budget Basis) Year Ended December 31, 2010**
**(in thousands of dollars)**

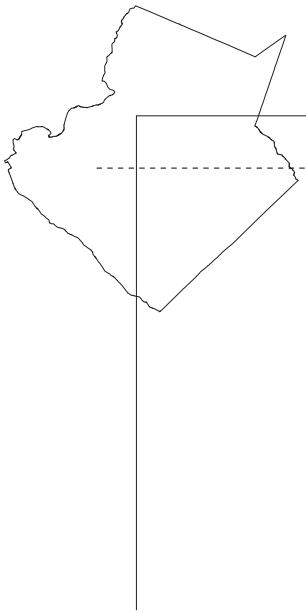
| | Debt Service Fund | | |
|---|---|---|---|
| | Budget | Actual | Variance-positive (negative) |
| **REVENUES:** | | | |
| Taxes | $ 14,080 | 13,846 | (234) |
| Intergovernmental | 29 | 29 | - |
| Investment income | 80 | 25 | (55) |
| Total revenues | 14,189 | 13,900 | (289) |
| **EXPENDITURES:** | | | |
| Debt service | 13,874 | 13,872 | 2 |
| Total expenditures | 13,874 | 13,872 | 2 |
| Revenues in excess of (less than) expenditures | 315 | 28 | (287) |
| Other financing sources (uses): | | | |
| Operating transfers in | - | 10,000 | 10,000 |
| Fund balance allocation | (315) | - | 315 |
| Fund balances – January 1 | - | 23,952 | 23,952 |
| Fund balances – December 31 | $ - | 33,980 | 33,980 |

## Grant Fund Schedule of Revenues and Expenditures Budget and Actual (Budget Basis)

**(in thousands of dollars)**

| | Grant Fund | | |
|---|---|---|---|
| | Budget | Actual (non-GAAP budget basis) | Variance-positive (negative) |
| **REVENUES:** | | | |
| Intergovernmental revenues | 70,771 | 36,177 | (34,594) |
| **EXPENDITURES:** | | | |
| Program expenditures | 70,771 | 37,509 | 33,262 |
| Revenues in excess of (less than) expenditures | - | (1,332) | (1,332) |

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# enterprise funds

## Other Enterprise Funds

**Airport Fund**
Airport Funds include the combined accounts of the Airport Enterprise Funds and the Airport Authority, which are used to account for the acquisition, construction, operations, and maintenance of the Gwinnett County Airport. Revenues are generally derived from the rental of space and facilities.

**Solid Waste Fund**
Solid Waste Funds are used to account for the financial transactions related to solid waste management in accordance with the *Solid Waste Collection and Disposal Services Ordinance*. The primary intent of the ordinance is the reduction of solid waste being received at disposal facilities. Revenues are derived from franchise fees paid by commercial waste haulers and service fees paid by residential homeowners in unincorporated Gwinnett County.

**Transit Fund**
Transit Funds are used to account for the acquisition, improvement, maintenance, and operations of the Transit System. Revenues are derived from fares, federal and state grants, and local taxes. The Transit System began operations in 2001.



## Other Enterprise Funds Combining Statement of Net Assets December 31, 2010

**(in thousands of dollars)**

| | Airport | Solid Waste | Transit | Total |
|---|---|---|---|---|
| **ASSETS:** | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | $ 2,793 | 32,548 | 6,468 | 41,809 |
| Receivables, net of allowance | | | | |
| Accounts | 48 | 1,886 | 1,397 | 3,331 |
| Total current assets | 2,841 | 34,434 | 7,865 | 45,140 |
| Noncurrent Assets: | | | | |
| Land and construction in progress | 11,645 | 1,317 | 2,010 | 14,972 |
| Other capital assets, net of depreciation | 9,219 | 4,022 | 26,687 | 39,928 |
| Investments | - | 12,886 | - | 12,886 |
| Total noncurrent assets | 20,864 | 18,225 | 28,697 | 67,786 |
| Total assets | 23,705 | 52,659 | 36,562 | 112,926 |
| **LIABILITIES:** | | | | |
| Current Liabilities | | | | |
| Accounts payable | 58 | 3,184 | 1,930 | 5,172 |
| Payroll payable | 32 | 5 | 8 | 45 |
| Accumulated leave benefits – current | 13 | 7 | 8 | 28 |
| Other accrued | - | - | 4 | 4 |
| Unearned revenue | - | 40,747 | - | 40,747 |
| Total current liabilities | 103 | 43,943 | 1,950 | 45,996 |
| Noncurrent Liabilities: | | | | |
| Accumulated leave benefits – noncurrent | 7 | 4 | 4 | 15 |
| Total noncurrent liabilities | 7 | 4 | 4 | 15 |
| Total liabilities | 110 | 43,947 | 1,954 | 46,011 |
| **NET ASSETS:** | | | | |
| Invested in capital assets, net of related debt | 20,864 | 5,339 | 28,697 | 54,900 |
| Unrestricted | 2,731 | 3,373 | 5,911 | 12,015 |
| Total net assets | $ 23,595 | 8,712 | 34,608 | 66,915 |

## Other Enterprise Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Year Ended December 31, 2010

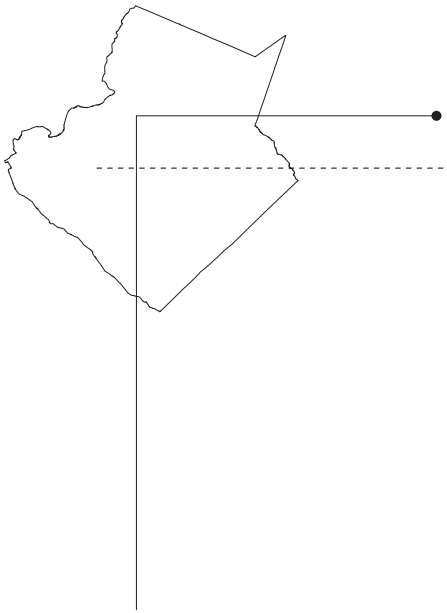
**(in thousands of dollars)**

| | Airport | Solid Waste | Transit | Total |
|---|---|---|---|---|
| **OPERATING REVENUES:** | | | | |
| Operating lease and rental income from individual hanger | $ 827 | - | - | 827 |
| Intergovernmental | 10 | - | 6,544 | 6,554 |
| User fees and charges | - | 20,740 | 4,274 | 25,014 |
| Miscellaneous | 24 | - | 129 | 153 |
| Total operating revenues | 861 | 20,740 | 10,947 | 32,548 |
| **OPERATING EXPENSES:** | | | | |
| Depreciation | 1,113 | 203 | 3,730 | 5,046 |
| Transit Operations | - | - | 11,836 | 11,836 |
| Development Authority | - | 670 | - | 670 |
| General and administrative | 698 | 19,824 | - | 20,522 |
| Total operating expenses | 1,811 | 20,697 | 15,566 | 38,074 |
| Operating income (loss) | (950) | 43 | (4,619) | (5,526) |
| **NON-OPERATING REVENUES (EXPENSES):** | | | | |
| Interest income | 1 | - | 8 | 9 |
| Investment income (loss) | - | (84) | - | (84) |
| Interest expense | - | (231) | - | (231) |
| Loss on disposal of capital assets | - | - | (1,428) | (1,428) |
| Total non-operating revenues (expenses) | 1 | (315) | (1,420) | (1,734) |
| Income (loss) before transfers | (949) | (272) | (6,039) | (7,260) |
| Transfers in | - | - | 2,414 | 2,414 |
| Transfer out | - | (36) | - | (36) |
| Change in net assets | (949) | (308) | (3,625) | (4,882) |
| Net Assets – January 1 | 24,544 | 9,020 | 38,233 | 71,797 |
| Net Assets – December 31 | $ 23,595 | 8,712 | 34,608 | 66,915 |

## Other Enterprise Funds Combining Statement of Cash Flows Year Ended December 31, 2010

**(in thousands of dollars)**

| | | Airport | Solid Waste | Transit | Total |
|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | |
| Cash received from customers | $ | 867 | 59,601 | 11,191 | 71,659 |
| Cash payments to suppliers for goods and services | | (342) | (17,116) | (11,892) | (29,350) |
| Cash payments to employees for services | | (292) | (221) | (295) | (808) |
| Net cash flows provided (required) by operating activities | | 233 | 42,264 | (996) | 41,501 |
| **Cash flows from noncapital financial activities:** | | | | | |
| Transfers from other funds | | - | - | 2,414 | 2,414 |
| Transfers (to) other funds | | - | (36) | - | (36) |
| Net cash provided (required) by noncapital activities | | - | (36) | 2,414 | 2,378 |
| **Cash flows from capital and related financing activities:** | | | | | |
| Interest expense payments | | - | (231) | - | (231) |
| Capital lease payments | | - | (822) | - | (822) |
| Acquisition and construction of capital assets | | (126) | - | (961) | (1,087) |
| Net cash required by capital and related financing activities | | (126) | (1,053) | (961) | (2,140) |
| **Cash flows from investing activities:** | | | | | |
| Interest on investments | | 1 | (84) | 8 | (75) |
| Purchase of Investment | | - | (12,886) | - | (12,886) |
| Net cash provided (required) by investing activities | | 1 | (12,970) | 8 | (12,961) |
| Net increase (decrease) in cash and cash equivalents | | 108 | 28,205 | 465 | 28,778 |
| Cash and cash equivalents at beginning of year | | 2,685 | 4,343 | 6,003 | 13,031 |
| Cash and cash equivalents at end of year | $ | 2,793 | 32,548 | 6,468 | 41,809 |
| **Reconciliation of operating income to net cash provided (required) by operating activities:** | | | | | |
| **Cash flows from operating activities:** | | | | | |
| Operating income (loss) | $ | (950) | 43 | (4,619) | (5,526) |
| Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities | | | | | |
| Depreciation | | 1,113 | 203 | 3,730 | 5,046 |
| **Change in assets and liabilities:** | | | | | |
| (Increase) decrease in receivables | | 6 | (1,886) | 244 | (1,636) |
| Increase (decrease) in due from others | | - | 40,747 | - | 40,747 |
| Increase (decrease) in payables | | 48 | 3,141 | (347) | 2,842 |
| Increase (decrease) in other liabilities | | 16 | 16 | (4) | 28 |
| Net cash provided/(required) by operating activities | $ | 233 | 42,264 | (996) | 41,501 |



# internal service funds

## Internal Service Funds

**Group Insurance Fund**
To account for charges to other funds and contributions from employees and for the payment of health, disability, and life insurance premiums and benefits.

**Risk Management Fund**
To account for charges to other funds and for the payment of workers' compensation claims and liability claims.

**Automotive Management and Service Fund**
To account for monies to be utilized for the future acquisition and service of automotive vehicles and equipment.

**Automotive Liability**
To account for monies to be utilized for future automotive accident expenses.



## Internal Service Funds Combining Statement of Net Assets December 31, 2010

**(in thousands of dollars)**

| | Group Insurance | Risk Management | Automotive Management and Service | Auto Liability Fund | Total |
|---|---|---|---|---|---|
| **ASSETS:** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 9,696 | 32,959 | 11,459 | 1,745 | 55,859 |
| Investments | 26,001 | 5,000 | 14,000 | - | 45,001 |
| Receivables, net of allowance: | | | | | |
| Accounts | 45 | 473 | 18 | - | 536 |
| Due from other governments | - | - | 1,656 | - | 1,656 |
| Inventories | - | - | 609 | - | 609 |
| Prepaid assets | - | - | 12 | - | 12 |
| Total current assets | 35,742 | 38,432 | 27,754 | 1,745 | 103,673 |
| Other capital assets, net of depreciation | - | - | 9,983 | - | 9,983 |
| Total assets | 35,742 | 38,432 | 37,737 | 1,745 | 113,656 |
| **LIABILITIES:** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 6,900 | 169 | 1,849 | 11 | 8,929 |
| Accumulated leave benefits – current | 11 | 9 | 75 | - | 95 |
| Estimated claims payable – current | 4,058 | 1,941 | - | - | 5,999 |
| Total current liabilities | 10,969 | 2,119 | 1,924 | 11 | 15,023 |
| Estimated claims payable – noncurrent | - | 5,394 | - | - | 5,394 |
| Accumulated leave benefits | 6 | 5 | 41 | - | 52 |
| Total liabilities | 10,975 | 7,518 | 1,965 | 11 | 20,469 |
| **NET ASSETS:** | | | | | |
| Invested in capital assets, net of related debt | - | - | 9,983 | - | 9,983 |
| Unrestricted | 24,767 | 30,914 | 25,789 | 1,734 | 83,204 |
| Total net assets | $ 24,767 | 30,914 | 35,772 | 1,734 | 93,187 |

## Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Year Ended December 31, 2010

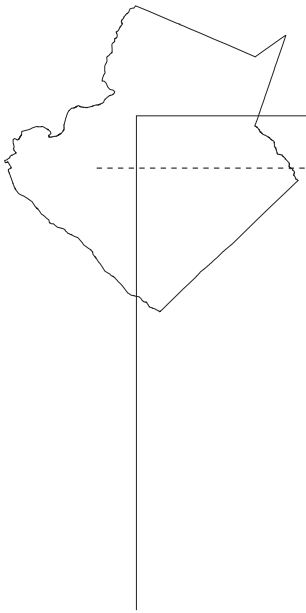
**(in thousands of dollars)**

| | Group Insurance | Risk Management | Automotive Management and Service | Auto Liability Fund | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES:** | | | | | |
| Charges to other funds | $ 38,504 | 10,607 | 8,706 | 752 | 58,569 |
| Employee contributions | 9,059 | - | - | - | 9,059 |
| Miscellaneous | 91 | 125 | 1,305 | - | 1,521 |
| Total operating revenues | 47,654 | 10,732 | 10,011 | 752 | 69,149 |
| **OPERATING EXPENSES:** | | | | | |
| Vehicle maintenance and repair | - | - | 1,235 | - | 1,235 |
| Benefit claims | 26,662 | 3,755 | - | 645 | 31,062 |
| Insurance premiums | 2,450 | 2,847 | - | - | 5,297 |
| Depreciation and amortization | - | - | 5,061 | - | 5,061 |
| General and administrative | 20,464 | 1,016 | 4,345 | 11 | 25,836 |
| Total operating expenses | 49,576 | 7,618 | 10,641 | 656 | 68,491 |
| Operating income (loss) | (1,922) | 3,114 | (630) | 96 | 658 |
| **NONOPERATING REVENUES:** | | | | | |
| Interest income | 159 | 94 | 158 | 1 | 412 |
| Total nonoperating revenues | 159 | 94 | 158 | 1 | 412 |
| Income (loss) before transfers | (1,763) | 3,208 | (472) | 97 | 1,070 |
| Transfers in | - | 336 | - | - | 336 |
| Change in net assets | (1,763) | 3,544 | (472) | 97 | 1,406 |
| Net assets – January 1 | 26,530 | 27,370 | 36,244 | 1,637 | 91,781 |
| Net assets – December 31 | $ 24,767 | 30,914 | 35,772 | 1,734 | 93,187 |

## Internal Service Funds Combining Statement of Cash Flows Year Ended December 31, 2010

**(in thousands of dollars)**

| | Group Insurance | Risk Management | Automotive Management and Service | Auto Liability | Total |
|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | |
| Cash received from customers | $ 47,609 | 10,707 | 9,239 | 752 | 68,307 |
| Cash payments to suppliers for goods and services | (15,135) | (779) | (3,045) | - | (18,959) |
| Cash payments to employees for services | (437) | (246) | (2,610) | - | (3,293) |
| Claims and premiums paid | (28,789) | (7,019) | - | (645) | (36,453) |
| Net cash flows provided by operating activities | 3,248 | 2,663 | 3,584 | 107 | 9,602 |
| **Cash flows from noncapital financial activities:** | | | | | |
| Transfers from other funds | - | 336 | - | - | 336 |
| Net cash provided by noncapital activities | - | 336 | - | - | 336 |
| **Cash flows from capital and related financing activities:** | | | | | |
| Acquisition and construction of capital assets | - | - | (3,795) | - | (3,795) |
| Net cash required by capital and related financing activities | - | - | (3,795) | - | (3,795) |
| **Cash flows from investing activities:** | | | | | |
| Net change in investment pools | (21,001) | (3,000) | (10,410) | - | (34,411) |
| Interest on investments | 159 | 94 | 158 | 1 | 412 |
| Net cash provided/(required) by investing activities | (20,842) | (2,906) | (10,252) | 1 | (33,999) |
| Net increase (decrease) in cash and cash equivalents | (17,594) | 93 | (10,463) | 108 | (27,856) |
| Cash and cash equivalents at beginning of year | 27,290 | 32,866 | 21,922 | 1,637 | 83,715 |
| Cash and cash equivalents at end of year | $ 9,696 | 32,959 | 11,459 | 1,745 | 55,859 |
| **Reconciliation of operating income (loss) to net cash provided by operating activities:** | | | | | |
| **Cash flows from operating activities:** | | | | | |
| Operating income (loss) | $ (1,922) | 3,114 | (630) | 96 | 658 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | | | |
| Depreciation | - | - | 5,061 | - | 5,061 |
| **Change in assets and liabilities:** | | | | | |
| (Increase) decrease in receivables | (45) | (25) | (772) | - | (842) |
| (Increase) decrease in prepaids | - | - | (11) | - | (11) |
| (Increase) decrease in inventories | - | - | (116) | - | (116) |
| Increase (decrease) in payables | 4,892 | (9) | 92 | 11 | 4,986 |
| Increase (decrease) in other liabilities | 323 | (417) | (40) | - | (134) |
| Net cash provided by operating activities | $ 3,248 | 2,663 | 3,584 | 107 | 9,602 |



# fiduciary funds

## Fiduciary Funds

### Trust Funds

- Defined Benefit Pension Plan
  The County established the Gwinnett County Defined Benefit Plan, as a single-employer, locally-governed plan for the benefit of its employees and other eligible individuals as provided for in the Plan Document.

- Other Post-Employment Benefit (OPEB) Plan
  The trust was established by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and other former employees (and their eligible dependents) who are eligible for such benefits under existing County policy.

### Agency Funds

- Tax Commissioner
  To account for the collection of property taxes, motor vehicle tag and title fees, fees for recording intangibles, etc., which are disbursed to various taxing units.

- Clerk of Courts
  To account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, fees, civil awards, etc., which are disbursed to other parties.

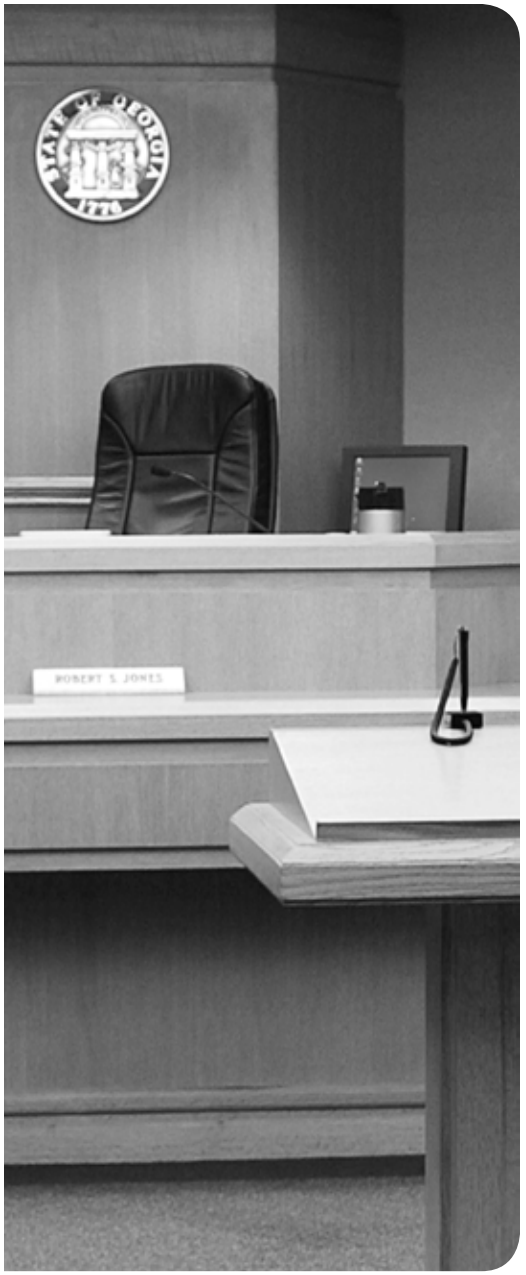
- Recorder's Court
  To account for the collection of various fines and forfeitures (mostly traffic violations) which are disbursed to other parties.

- Sheriff
  To account for the collection of cash bonds, fines, forfeitures, fifas, etc., which are disbursed to other parties.

- Probate Court
  To account for the collection of fees for firearms, licenses, certificates, marriage licenses, etc., which are disbursed to other parties.

- Juvenile Court
  To account for the collection of probation supervision fees, which are disbursed to other parties.

- Corrections
  To account for funds being held on inmate's behalf, which are disbursed to other parties on behalf of the inmate.



**Pension (and Other Employee Benefit) Trust Funds Combining Statement of Plan Net Assets Year Ended December 31, 2010**
**(in thousands of dollars)**

| | Defined Benefit | OPEB | Total |
|---|---|---|---|
| **Assets:** | | | |
| Cash and cash equivalents | $ 27,405 | 3,290 | 30,695 |
| Investments, at fair value: | | | |
| US governmental treasuries | 66,095 | 5,226 | 71,321 |
| Asset backed securities | 12,521 | 990 | 13,511 |
| US governmental agencies | 33,150 | 2,621 | 35,771 |
| Commercial mortgage backed securities | 19,161 | 1,515 | 20,676 |
| Future contracts | 525 | 41 | 566 |
| Corporate bonds | 55,738 | 4,408 | 60,146 |
| Collateralized mortgage obligations | 11,868 | 939 | 12,807 |
| Corporate equities | 227,593 | 17,994 | 245,587 |
| Taxable municipal bonds | 353 | 28 | 381 |
| International equities | 88,744 | 7,017 | 95,761 |
| Mutual funds invested in equities | 26,126 | 2,066 | 28,192 |
| Total investments | 541,874 | 42,845 | 584,719 |
| Securities lending collateral investment pool | 76,991 | 6,087 | 83,078 |
| Contributions receivable from employer | 23,441 | 5,909 | 29,350 |
| Prepaid Assets | 3,304 | - | 3,304 |
| Total assets | 673,015 | 58,131 | 731,146 |
| **Liabilities:** | | | |
| Accounts payable | 584 | 682 | 1,266 |
| Liability for securities lending agreement | 76,991 | 6,087 | 83,078 |
| Total liabilities | 77,575 | 6,769 | 84,344 |
| Net assets held in trust for pension and other employee benefits | $ 595,440 | 51,362 | 646,802 |

**Pension (and Other Employee Benefit) Trust Funds Combining Statement of Changes in Plan Net Assets Year Ended December 31, 2010**
**(in thousands of dollars)**

| | Defined Benefit | OPEB | Total |
|---|---|---|---|
| **ADDITIONS** | | | |
| Contributions: | | | |
| Employer | $ 60,947 | 26,840 | 87,787 |
| Employee | 9,170 | 4,074 | 13,244 |
| Total contributions | 70,117 | 30,914 | 101,031 |
| Investment Income: | | | |
| Investment income | 60,317 | 4,352 | 64,669 |
| Securities lending income | 75 | 6 | 81 |
| Interest and dividends | 13,400 | 894 | 14,294 |
| | 73,792 | 5,252 | 79,044 |
| Less – Investment expense | (2,229) | (147) | (2,376) |
| Securities lending expense | (14) | (1) | (15) |
| Net investment income | 71,549 | 5,104 | 76,653 |
| Total additions | 141,666 | 36,018 | 177,684 |
| **DEDUCTIONS** | | | |
| Benefits paid | 38,173 | 9,624 | 47,797 |
| Insurance premiums | - | 2,419 | 2,419 |
| Administrative expenses | 779 | 748 | 1,527 |
| Total deductions | 38,952 | 12,791 | 51,743 |
| Net increase | 102,714 | 23,227 | 125,941 |
| Net assets held in trust for pension and other employee benefits: | | | |
| Beginning of year | 492,726 | 28,135 | 520,861 |
| End of year | $ 595,440 | 51,362 | 646,802 |

**Agency Funds**
**Combining Statement of**
**Fiduciary Assets and Liabilities**
**December 31, 2010**
**(in thousands of dollars)**

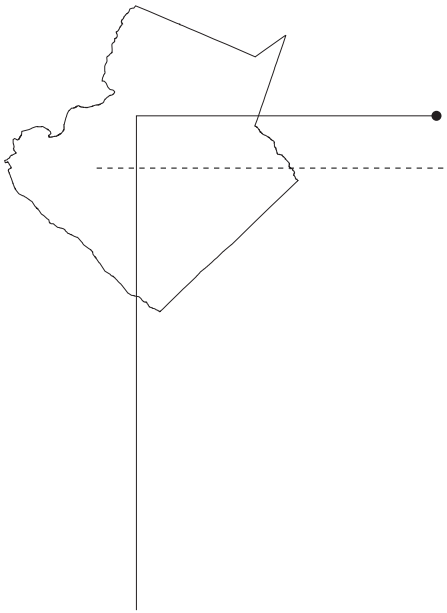
| | Tax Commissioner | Clerk of the Courts | Recorder's Court | Sheriff | Probate Court | Juvenile Court | Corrections | Total |
|---|---|---|---|---|---|---|---|---|
| **ASSETS:** | | | | | | | | |
| Cash and cash equivalents | $ 5,911 | 25,748 | 1,187 | 532 | 110 | 142 | 41 | 33,671 |
| Taxes receivable | 45,114 | - | - | - | - | - | - | 45,114 |
| Total | $ 51,025 | 25,748 | 1,187 | 532 | 110 | 142 | 41 | 78,785 |
| **LIABILITIES:** | | | | | | | | |
| Due to others | $ 51,025 | 25,748 | 1,187 | 532 | 110 | 142 | 41 | 78,785 |
| Total | $ 51,025 | 25,748 | 1,187 | 532 | 110 | 142 | 41 | 78,785 |

## Agency Funds Combining Statement of Changes in Fiduciary Assets and Liabilities Year Ended December 31, 2010

**(in thousands of dollars)**

| | Balance January 1, 2010 | Additions | Deductions | Balance December 31, 2010 |
|---|---|---|---|---|
| **TAX COMMISSIONER:** | | | | |
| Cash and cash equivalents | $ 8,564 | 618,190 | 620,843 | 5,911 |
| Taxes receivable | 58,721 | 420,762 | 434,369 | 45,114 |
| Total | $ 67,285 | 1,038,952 | 1,055,212 | 51,025 |
| Due to others | 67,285 | 1,038,952 | 1,055,212 | 51,025 |
| **CLERK OF COURTS:** | | | | |
| Cash and cash equivalents | $ 19,586 | 66,794 | 60,632 | 25,748 |
| Due to others | 19,586 | 66,794 | 60,632 | 25,748 |
| **RECORDER'S COURT:** | | | | |
| Cash and cash equivalents | $ 1,615 | 4,363 | 4,791 | 1,187 |
| Due to others | 1,615 | 4,363 | 4,791 | 1,187 |
| **SHERIFF:** | | | | |
| Cash and cash equivalents | $ 966 | 10,218 | 10,652 | 532 |
| Due to others | 966 | 10,218 | 10,652 | 532 |
| **PROBATE COURT:** | | | | |
| Cash and cash equivalents | $ 85 | 207 | 182 | 110 |
| Due to others | 85 | 207 | 182 | 110 |
| **JUVENILE COURT:** | | | | |
| Cash and cash equivalents | $ 152 | 128 | 138 | 142 |
| Due to others | 152 | 128 | 138 | 142 |
| **CORRECTIONS:** | | | | |
| Cash and cash equivalents | $ 47 | 513 | 519 | 41 |
| Due to others | 47 | 513 | 519 | 41 |
| **TOTAL:** | | | | |
| Cash and cash equivalents | $ 31,015 | 700,413 | 697,757 | 33,671 |
| Taxes receivable | 58,721 | 420,762 | 434,369 | 45,114 |
| Total | $ 89,736 | 1,121,175 | 1,132,126 | 78,785 |
| Due to others | 89,736 | 1,121,175 | 1,132,126 | 78,785 |

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# statistical section

## Statistical Section (Unaudited)

This part of Gwinnett County's comprehensive 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.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time ..... S1 – S5

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source: property tax ..... S6 – S9

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future ..... S10 – S12

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place ..... S13 – S14

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs ..... S15 – S17

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The County implemented GASB Statement 34 for the year ended December 31, 2002; schedules presenting governmentwide information include information beginning in that year. Due to significant State of Georgia chart of account changes implemented in 2005, the County is only reporting comparable financial statement information back to 2004 in the Statistical Section.*

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## Net Assets By Components – Last Seven Years (in thousands of dollars) (Accrual Basis of Accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| Governmental activities | | | | | | | |
| Invested in capital assets, net of related debt | $ 1,293,946 | 1,398,909 | 1,580,183 | 1,822,598 | 1,989,757 | 2,141,050 | 2,220,825 |
| Restricted | 693,897 | 721,891 | 666,243 | 357,674 | 306,184 | 272,928 | 283,828 |
| Unrestricted | 219,465 | 225,746 | 238,235 | 470,710 | 451,245 | 489,312 | 522,661 |
| Total governmental activities net assets | $ 2,207,308 | 2,346,546 | 2,484,661 | 2,650,982 | 2,747,186 | 2,903,290 | 3,027,314 |
| Business-type activities | | | | | | | |
| Invested in capital assets, net of related debt | $ 1,970,986 | 2,155,024 | 2,257,189 | 2,517,483 | 2,574,614 | 2,594,387 | 2,591,610 |
| Restricted | 24,989 | 26,364 | 25,083 | 25,199 | 27,388 | 33,268 | 37,072 |
| Unrestricted | 132,682 | 154,556 | 202,403 | 60,611 | 57,866 | 80,364 | 137,219 |
| Total business-type activities net assets | $ 2,128,657 | 2,335,944 | 2,484,675 | 2,603,293 | 2,659,868 | 2,708,019 | 2,765,901 |
| Primary government | | | | | | | |
| Invested in capital assets, net of related debt | $ 3,264,932 | 3,553,933 | 3,837,372 | 4,340,081 | 4,564,371 | 4,735,437 | 4,812,435 |
| Restricted | 718,886 | 748,255 | 691,326 | 382,873 | 333,572 | 306,196 | 320,900 |
| Unrestricted | 352,147 | 380,302 | 440,638 | 531,321 | 509,111 | 569,676 | 659,880 |
| Total primary activities net assets | $ 4,335,965 | 4,682,490 | 4,969,336 | 5,254,275 | 5,407,054 | 5,611,309 | 5,793,215 |

## Changes in Net Assets – Last Seven Years (in thousands of dollars) (Accrual Basis of Accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| **Expenses*** | | | | | | | |
| Governmental activities | | | | | | | |
| General government | $ 60,789 | 65,846 | 72,728 | 74,921 | 77,529 | 77,808 | 96,653 |
| Public safety | 137,822 | 142,928 | 154,775 | 173,779 | 184,060 | 188,851 | 188,823 |
| Judiciary | 84,978 | 89,671 | 105,891 | 113,633 | 122,028 | 123,555 | 113,089 |
| Public works | 52,965 | 74,006 | 106,270 | 82,898 | 73,339 | 65,488 | 55,506 |
| Health and welfare | 11,328 | 7,495 | 7,408 | 12,640 | 12,861 | 12,336 | 11,528 |
| Culture and recreation | 39,166 | 44,069 | 54,967 | 57,032 | 68,260 | 67,369 | 69,493 |
| Housing and development | 16,845 | 17,244 | 15,004 | 18,247 | 20,596 | 20,971 | 25,374 |
| Tourism | 4,476 | 1,940 | 2,208 | 2,214 | 2,038 | 1,633 | 1,760 |
| Development authority | 2,169 | 2,182 | 2,251 | 2,580 | 2,843 | 4,853 | 6,675 |
| Miscellaneous | 3,536 | 4,676 | - | - | - | - | - |
| Interest on long term debt | 3,794 | 2,397 | 2,128 | 4,263 | 5,983 | 1,111 | 2,661 |
| Total governmental activities | $ 417,868 | 452,454 | 523,630 | 542,207 | 569,537 | 563,975 | 571,562 |
| Business-type activities | | | | | | | |
| Water and sewer | $ 144,853 | 156,557 | 172,985 | 197,612 | 201,974 | 200,687 | 209,840 |
| Airport | 1,490 | 1,716 | 1,940 | 2,103 | 1,912 | 2,000 | 1,811 |
| Solid waste | 524 | 347 | 425 | 489 | 2,573 | 1,427 | 20,910 |
| Storm water | 20,959 | 22,617 | 24,728 | 25,455 | 29,466 | 28,268 | 28,032 |
| Transit | 11,391 | 13,719 | 12,375 | 14,184 | 15,749 | 15,606 | 15,533 |
| Total business-type activities | $ 179,217 | 194,956 | 212,453 | 239,843 | 251,674 | 247,988 | 276,126 |
| **Total primary government expenses** | $ 597,085 | 647,410 | 736,083 | 782,050 | 821,211 | 811,963 | 847,688 |
| **Program revenues** | | | | | | | |
| Governmental activities | | | | | | | |
| Charges for services: | | | | | | | |
| General government | $ 44,357 | 33,725 | 30,991 | 22,340 | 14,578 | 23,795 | 18,301 |
| Public safety | 15,706 | 18,502 | 21,158 | 22,940 | 35,699 | 29,147 | 23,093 |
| Judiciary | 24,007 | 22,912 | 24,744 | 27,145 | 29,111 | 28,541 | 31,174 |
| Public works | 126 | 5,837 | 5,974 | 6,084 | 5,992 | 6,196 | 6,256 |
| Health and welfare | - | 67 | - | - | - | 1 | 137 |
| Culture and recreation | 3,542 | 3,651 | 2,895 | 3,368 | 3,918 | 4,505 | 4,499 |
| Housing and development | - | 9,091 | 8,866 | 6,145 | 3,922 | 2,441 | 8,818 |
| Operating grants and contributions | 14,711 | 13,231 | 17,039 | 15,866 | 12,068 | 30,052 | 33,739 |
| Capital grants and contributions | 18,886 | 18,246 | 17,726 | 24,611 | 15,054 | 13,407 | 11,182 |
| Total governmental activities program revenues | $ 121,335 | 125,262 | 129,393 | 128,499 | 120,342 | 138,085 | 137,199 |

** Net of indirect costs*

## Changes in Net Assets – Last Seven Years (in thousands of dollars) (Accrual Basis of Accounting) *continued*

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| Business-type activities | | | | | | | |
| Charges for services: | | | | | | | |
| Water and sewer | $ 164,700 | 178,105 | 185,505 | 202,960 | 189,959 | 208,805 | 240,966 |
| Airport | 739 | 626 | 628 | 858 | 850 | 832 | 827 |
| Solid waste | 724 | - | - | - | 1,340 | 1,113 | 20,740 |
| Stormwater | 1,080 | 991 | 8,694 | 16,045 | 25,095 | 30,326 | 29,973 |
| Transit | 1,874 | 2,551 | 3,505 | 3,035 | 4,337 | 4,319 | 4,274 |
| Operating grants and contributions | - | - | 2,506 | 4,212 | 5,270 | 4,896 | 5,740 |
| Capital grants and contributions | 138,547 | 191,836 | 124,225 | 113,894 | 68,179 | 33,811 | 18,616 |
| Total business-type activities program revenues | $ 307,664 | 374,109 | 325,063 | 341,004 | 295,030 | 284,102 | 321,136 |
| **Total primary government program revenues** | $ 428,999 | 499,371 | 454,456 | 469,503 | 415,372 | 422,187 | 458,335 |
| **Net (expense)/revenue** | | | | | | | |
| Governmental activities | $ (296,533) | (327,192) | (394,237) | (413,708) | (449,195) | (425,890) | (434,363) |
| Business-type activities | 128,447 | 179,153 | 112,610 | 101,161 | 43,356 | 36,114 | 45,010 |
| **Total primary government net expense** | $ (168,086) | (148,039) | (281,627) | (312,547) | (405,839) | (389,776) | (389,353) |
| **General revenues and other changes in net assets** | | | | | | | |
| Governmental activities: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | $ 259,363 | 277,441 | 304,215 | 328,612 | 325,417 | 403,235 | 363,744 |
| Sales taxes | 131,831 | 140,972 | 155,941 | 152,528 | 138,756 | 122,714 | 128,594 |
| Other taxes | 37,639 | 39,576 | 40,239 | 56,215 | 55,249 | 51,971 | 54,363 |
| Investment income | 12,768 | 24,561 | 41,055 | 42,626 | 24,418 | 6,571 | 6,485 |
| Miscellaneous | 6,866 | 3,735 | 6,077 | 5,386 | 7,516 | 4,361 | 10,093 |
| Transfers | (22,520) | (19,855) | (15,175) | (5,338) | (5,957) | (6,858) | (4,892) |
| Total governmental activities | $ 425,947 | 466,430 | 532,352 | 580,029 | 545,399 | 581,994 | 558,387 |
| Business-type activities: | | | | | | | |
| Investment income | $ 2,782 | 5,694 | 13,642 | 7,426 | 2,466 | 189 | 346 |
| Miscellaneous | 1,929 | 2,585 | 7,304 | 4,693 | 684 | 4,990 | 7,634 |
| Extraordinary item | - | - | - | - | 4,112 | - | - |
| Transfers | 22,520 | 19,855 | 15,175 | 5,338 | 5,957 | 6,858 | 4,892 |
| Total business-type activities | $ 7,231 | 28,134 | 36,121 | 17,457 | 13,219 | 12,037 | 12,872 |
| **Total primary government** | $ 453,178 | 494,564 | 568,473 | 597,486 | 558,618 | 594,031 | 571,259 |
| **Change in net assets** | | | | | | | |
| Governmental activities | $ 129,414 | 139,238 | 138,115 | 166,321 | 96,204 | 156,104 | 124,024 |
| Business-type activities | 155,678 | 207,287 | 148,731 | 118,618 | 56,575 | 48,151 | 57,882 |
| **Total primary government** | $ 285,092 | 346,525 | 286,846 | 284,939 | 152,779 | 204,255 | 181,906 |

**Fund Balances, Governmental Funds – Last Seven Years (in thousands of dollars) (Modified Accrual Basis of Accounting)**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| General fund | | | | | | | |
| Reserved | $ 4,354 | 2,801 | 3,915 | 3,848 | 4,614 | 3,451 | 5,695 |
| Unreserved | 96,525 | 130,340 | 144,441 | 148,220 | 109,382 | 114,719 | 142,258 |
| Total general fund | $ 100,879 | 133,141 | 148,356 | 152,068 | 113,996 | 118,170 | 147,953 |
| All other governmental funds | | | | | | | |
| Reserved | $ 136,534 | 15,311 | 15,971 | 21,376 | 9,487 | 11,311 | 5,086 |
| Unreserved, reported in | | | | | | | |
| Special revenue funds | 107,373 | 60,145 | 67,022 | 63,300 | 54,272 | 56,338 | 67,502 |
| Capital project funds | 478,856 | 576,961 | 502,020 | 397,465 | 365,607 | 293,259 | 307,259 |
| Debt service funds | 22,342 | 9,110 | 9,550 | 10,394 | 23,518 | 23,952 | 33,980 |
| Parking deck project | - | - | - | 6,000 | 6,192 | 1,135 | 220 |
| Total all other governmental funds | $ 745,105 | 661,527 | 594,563 | 498,535 | 459,076 | 385,995 | 414,047 |
| Total | $ 845,984 | 794,668 | 742,919 | 650,603 | 573,072 | 504,165 | 562,000 |

## Changes in Fund Balances, Governmental Funds – Last Seven Years (in thousands of dollars) (Modified Accrual Basis of Accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Taxes | $ 435,619 | 442,762 | 504,733 | 534,320 | 512,595 | 515,608 | 601,982 |
| Permits and licenses | 25,525 | 22,590 | 23,990 | 11,072 | 8,611 | 6,626 | 8,266 |
| Intergovernmental | 20,080 | 17,619 | 20,289 | 18,981 | 18,197 | 41,715 | 42,662 |
| Charges for services | 45,234 | 55,775 | 57,112 | 62,909 | 75,691 | 71,319 | 63,013 |
| Fines and forfeitures | 12,483 | 12,345 | 13,526 | 14,049 | 14,843 | 16,731 | 21,053 |
| Investment income | 11,684 | 22,716 | 38,354 | 40,214 | 22,401 | 6,216 | 6,072 |
| Miscellaneous | 6,866 | 6,261 | 7,022 | 7,759 | 9,764 | 7,190 | 12,007 |
| Total revenues | $ 557,491 | 580,068 | 665,026 | 689,304 | 662,102 | 665,405 | 755,055 |
| Expenditures: | | | | | | | |
| General government | $ 45,510 | 58,117 | 58,879 | 74,823 | 72,316 | 65,329 | 93,475 |
| Public safety | 130,889 | 138,885 | 145,864 | 160,829 | 171,716 | 179,492 | 176,088 |
| Judiciary | 80,716 | 92,058 | 105,055 | 110,023 | 117,798 | 121,894 | 120,098 |
| Public works | 19,424 | 20,056 | 21,988 | 22,866 | 22,958 | 21,489 | 19,360 |
| Health and welfare | 6,292 | 7,560 | 7,589 | 12,566 | 12,814 | 12,561 | 12,473 |
| Culture and recreation | 35,442 | 38,591 | 42,416 | 42,615 | 47,048 | 47,646 | 54,477 |
| Housing and development | 11,344 | 11,907 | 11,426 | 13,095 | 13,650 | 10,062 | 8,332 |
| Miscellaneous | 4,202 | 551 | 799 | - | - | - | - |
| Tourism | 2,000 | 1,940 | 2,208 | 2,214 | 2,038 | 1,633 | 1,760 |
| Development authority | 2,169 | 2,182 | 3,656 | 4,045 | 4,763 | 7,465 | 8,905 |
| Grant programs | 7,545 | 6,620 | 5,622 | 6,042 | 8,217 | 12,881 | 22,953 |
| Capital outlay | 146,382 | 219,291 | 282,219 | 311,565 | 283,161 | 223,577 | 138,448 |
| Debt service | | | | | | | |
| Principal | 9,360 | 9,565 | 9,845 | 12,251 | 12,730 | 13,255 | 13,847 |
| Interest | 4,448 | 4,206 | 3,946 | 4,079 | 3,582 | 3,078 | 2,608 |
| Intergovernmental | - | - | - | - | - | 19,816 | 19,313 |
| Total expenditures | $ 505,723 | 611,529 | 701,512 | 777,013 | 772,791 | 740,178 | 692,137 |
| Excess of revenues over expenditures | $ 51,768 | (31,461) | (36,486) | (87,709) | (110,689) | (74,773) | 62,918 |
| Other financing sources/(uses) | | | | | | | |
| Transfer in | $ 30,061 | 31,040 | 18,399 | 20,922 | 85,606 | 9,962 | 34,495 |
| Transfer out | (52,581) | (50,895) | (33,662) | (25,529) | (89,333) | (12,813) | (39,578) |
| Proceeds from capital lease obligations | - | - | - | - | 36,885 | 8,717 | - |
| Total other financing sources/(uses) | $ (22,520) | (19,855) | (15,263) | (4,607) | 33,158 | 5,866 | (5,083) |
| Net change in fund balance | $ 29,248 | (51,316) | (51,749) | (92,316) | (77,531) | (68,907) | 57,835 |
| Debt service as a percentage of noncapital expenditures | 4.0% | 3.6% | 3.3% | 3.5% | 3.4% | 3.4% | 3.0% |

## Assessed Value and Estimated Value of Taxable Property – Last Ten Fiscal Years

| Fiscal Year Ended Dec. 31, | Real Property | | | Personal Property | | Less: Tax Exemptions | Total Taxable Assessed Value | Total Direct Tax Rate | Total Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---|---|---|---|---|---|---|---|---|---|---|
| | Residential Property | Commercial Property | Other Real Property | Motor Vehicle | Other[1] | | | | | |
| 2001 | 10,146,911,360 | 5,108,960,180 | 525,092,726 | 1,786,903,697 | 3,360,854,830 | 3,056,514,672 | 17,872,208,121 | 11.49 | 44,680,520,303 | 40% |
| 2002 | 11,749,613,060 | 5,440,409,120 | 603,199,160 | 1,919,245,700 | 3,159,759,660 | 3,444,303,347 | 19,427,923,353 | 11.32 | 48,569,808,383 | 40% |
| 2003 | 13,055,804,380 | 5,637,445,160 | 641,260,167 | 1,958,612,800 | 3,085,229,010 | 3,785,724,988 | 20,592,626,529 | 11.50 | 51,481,566,323 | 40% |
| 2004 | 14,445,717,520 | 5,856,853,840 | 657,607,367 | 1,960,787,080 | 2,969,656,260 | 4,184,612,558 | 21,706,009,509 | 11.47 | 54,265,023,773 | 40% |
| 2005 | 15,476,738,817 | 6,136,046,299 | 675,505,950 | 1,935,290,900 | 3,177,314,281 | 4,258,466,874 | 23,142,429,373 | 11.47 | 57,856,073,433 | 40% |
| 2006 | 17,138,866,772 | 6,912,104,174 | 636,083,282 | 1,894,747,650 | 3,364,490,860 | 4,773,455,867 | 25,172,836,871 | 11.30 | 62,932,092,178 | 40% |
| 2007 | 19,110,676,313 | 7,620,660,544 | 711,286,124 | 2,100,293,790 | 3,553,418,546 | 5,521,193,379 | 27,575,141,938 | 11.08 | 68,937,854,845 | 40% |
| 2008 | 20,154,776,093 | 8,232,413,573 | 724,878,956 | 2,203,612,510 | 3,685,145,915 | 5,647,694,750 | 29,353,132,297 | 10.97 | 73,382,830,743 | 40% |
| 2009 | 19,601,892,754 | 8,007,858,323 | 727,273,050 | 2,244,806,130 | 3,704,242,078 | 5,285,098,686 | 29,000,973,649 | 13.25 | 72,502,434,123 | 40% |
| 2010 | 17,636,924,358 | 7,328,942,258 | 737,159,776 | 1,947,193,360 | 3,363,021,476 | 4,365,881,271 | 26,647,359,957 | 13.25 | 66,618,399,893 | 40% |

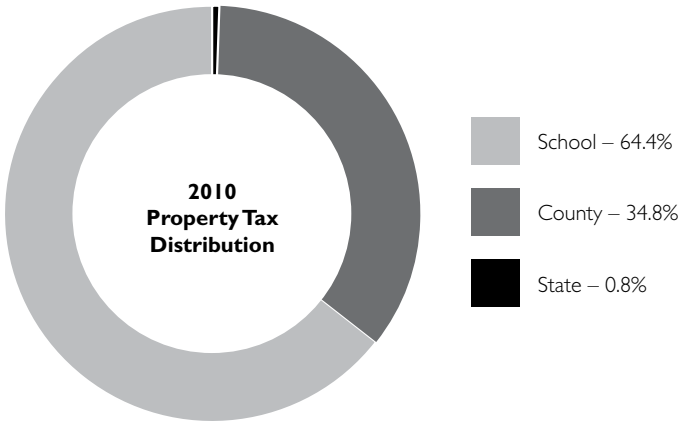
Source: General Fund Information from Gwinnett County Budget Division and Gwinnett County Tax Commissioner

[1] Includes mobile homes

## Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years (Rate per $1,000 of Assessed Value)

| Jurisdiction: | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| **County** | | | | | | | | | | |
| Maintenance and Operations: | | | | | | | | | | |
| Unincorporated | 8.43 | 8.30 | 8.29 | 8.27 | 10.14 | 10.00 | 9.81 | 9.72 | 11.78 | 11.78 |
| Municipalities | 8.43 | 8.30 | 8.29 | 8.27 | 10.14 | 10.00 | 9.81 | 9.72 | 11.78 | 11.78 |
| Debt Service | 0.30 | 0.30 | 0.49 | 0.49 | 0.49 | 0.48 | 0.47 | 0.46 | 0.47 | 0.47 |
| Fire Protection | 1.90 | 1.87 | 1.87 | 1.87 | - | - | - | - | - | - |
| Recreation | 0.86 | 0.85 | 0.85 | 0.84 | 0.84 | 0.82 | 0.80 | 0.79 | 1.00 | 1.00 |
| Total County – Unincorporated | 11.49 | 11.32 | 11.50 | 11.47 | 11.47 | 11.30 | 11.08 | 10.97 | 13.25 | 13.25 |
| Total County – Municipalities | 11.49 | 11.32 | 11.50 | 11.47 | 11.47 | 11.30 | 11.08 | 10.97 | 13.25 | 13.25 |
| **School** | | | | | | | | | | |
| Maintenance and Operations | 18.62 | 18.62 | 18.87 | 18.87 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 |
| Debt Service | 1.80 | 1.68 | 1.43 | 1.43 | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 |
| Total School | 20.42 | 20.30 | 20.30 | 20.30 | 20.55 | 20.55 | 20.55 | 20.55 | 20.55 | 20.55 |
| **State** | **0.25** | **0.25** | **0.25** | **0.25** | **0.25** | **0.25** | **0.25** | **0.25** | **0.25** | **0.25** |
| Total Unincorporated | 32.16 | 31.87 | 32.05 | 32.02 | 32.27 | 32.10 | 31.88 | 31.77 | 34.05 | 34.05 |
| Total Municipalities | 32.16 | 31.87 | 32.05 | 32.02 | 32.27 | 32.10 | 31.88 | 31.77 | 34.05 | 34.05 |

Source: Budget Division – Tax Levy Resolution



## Principal Property Tax Payers – Current Year and Nine Years Ago

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| AT&T Communications | $162,337,738 | 1 | 0.61% | $116,877,039 | 1 | 0.61% |
| Publix | 135,728,936 | 2 | 0.51% | 55,966,490 | 6 | 0.29% |
| Georgia Power | 147,775,800 | 3 | 0.55% | 68,022,034 | 5 | 0.36% |
| Wal-Mart | 103,790,860 | 4 | 0.39% | - | - | - |
| Mall of Georgia LLC | 84,975,871 | 5 | 0.32% | 95,994,220 | 3 | 0.50% |
| Scientific Atlanta Inc. | 69,061,385 | 6 | 0.26% | 103,309,510 | 2 | 0.54% |
| Jackson EMC | 68,886,840 | 7 | 0.26% | 43,325,376 | 10 | 0.23% |
| CRLP Holdings | 48,989,720 | 8 | 0.18% | - | - | - |
| Fourth Quarter Properties, LLC | 40,880,000 | 9 | 0.15% | - | - | - |
| Atlanta Gas Light | 45,205,200 | 10 | 0.17% | - | - | - |
| Lucent Technologies | | | | 92,794,870 | 4 | 0.49% |
| Gwinnett Place Assoc. | | | | 50,121,240 | 8 | 0.26% |
| Weeks Realty, LP | | | | 51,689,430 | 7 | 0.27% |
| McKesson Corp | | | | 42,867,660 | 9 | 0.22% |

Source: 1) The final tax digest dated 02/17/2011 which is the state certified digest updated with additional adjustments made during the year. 2) Report provided by the Tax Assessor's Office. 3) Values are Net Digest less motor vehicle, mobile homes, cut timber, and heavy duty.

## 2010 Property Tax Levies and Collections – Last Ten Fiscal Years

| Fiscal Year Ended Dec. 31, | Taxes Levied for the Fiscal Year [1] | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2001 | 516,403,668 | 494,905,780 | 95.8% | 21,042,704 | 515,948,484 | 99.9% |
| 2002 | 560,618,081 | 525,108,967 | 93.6% | 29,919,264 | 555,028,231 | 99.0% |
| 2003 | 599,483,906 | 570,046,324 | 95.0% | 28,391,959 | 598,438,284 | 99.8% |
| 2004 | 639,815,392 | 623,423,054 | 97.4% | 13,478,926 | 636,901,980 | 99.5% |
| 2005 | 693,315,254 | 632,855,849 | 91.3% | 59,682,585 | 692,538,434 | 99.9% |
| 2006 | 776,843,211 | 712,381,318 | 91.7% | 47,788,257 | 760,169,575 | 97.9% |
| 2007 | 834,910,465 | 781,880,719 | 93.7% | 50,246,403 | 832,127,121 | 99.7% |
| 2008 | 884,462,785 | 819,605,181 | 92.7% | 59,187,045 | 878,792,226 | 99.4% |
| 2009 | 954,213,881 | 829,546,868 | 92.7% | 109,272,583 | 938,819,450 | 98.4% |
| 2010 | 869,713,246 | 810,612,693 | 93.2% | - | 810,612,693 | 93.2% |

[1] Reflects original digest net of all digest corrections to date.

Includes 2010 Utilities (not due until 03/15/11).
Includes all rolls, tax only (for all jurisdictions, county, board of education, cities, and state)
No SASS, Speed Humps, Storm Water or Solid Waste
The 2009 levies includes $60.1 million of additional taxes billed in March 2010.

**Ratios of Outstanding Debt by Type – Last Ten Fiscal Years**
**(in thousands of dollars Except Population and Net Bonded Debt Per Capita)**

| | | Governmental Activities | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Gwinnett County General Obligation Debt | | | | | | |
| Fiscal Year Ended Dec. 31, | Population | Gross General Obligation Bonds | Less: Debt Service Fund Balance | Net General Obligation Bonds | Percentage of Assessed Property Value | Per Capita | Revenue Bonds | Lease Payable |
| 2001 | 621,798 | 65,360 | 16,387 | 48,973 | 0.25% | 78.76 | 17,585 | - |
| 2002 | 644,753 | 61,740 | 15,271 | 46,469 | 0.22% | 72.07 | 16,055 | - |
| 2003 | 666,768 | 135,325 | 21,626 | 113,699 | 0.51% | 170.52 | 14,440 | - |
| 2004 | 691,986 | 125,965 | 22,342 | 103,623 | 0.45% | 149.75 | 12,725 | 65,000 |
| 2005 | 716,436 | 116,400 | 21,003 | 95,397 | 0.39% | 133.15 | 10,915 | 65,000 |
| 2006 | 746,975 | 106,555 | 21,653 | 84,902 | 0.34% | 113.66 | 8,990 | 63,595 |
| 2007 | 772,464 | 96,350 | 22,658 | 73,692 | 0.26% | 95.40 | 6,945 | 62,130 |
| 2008 | 790,519 | 85,790 | 23,518 | 62,272 | 0.21% | 78.77 | 4,775 | 97,095 |
| 2009 | 808,167 | 74,845 | 23,952 | 50,893 | 0.17% | 62.97 | 2,465 | 103,200 |
| 2010 | 805,321 | 63,465 | 33,980 | 29,485 | 0.11% | 36.61 | - | 96,420 |

| Fiscal Year Ended Dec. 31, | Business-Type Activities | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|---|---|---|---|---|---|---|---|
| | Water & Sewer Bonds | Certificates of Participation | Notes Payable | Lease Payable | | | |
| 2001 | 439,519 | 22,046 | 3,900 | - | 532,023 | 2.73% | 855.62 |
| 2002 | 551,791 | - | 3,520 | - | 617,835 | 3.16% | 958.25 |
| 2003 | 743,852 | - | 3,125 | - | 875,116 | 4.36% | 1,312.47 |
| 2004 | 842,346 | - | 2,663 | - | 1,026,357 | 4.88% | 1,483.20 |
| 2005 | 829,895 | - | 2,235 | - | 1,003,442 | 4.40% | 1,400.60 |
| 2006 | 810,200 | - | 1,790 | - | 969,477 | 4.00% | 1,297.87 |
| 2007 | 784,419 | - | 10,174 | - | 937,360 | 3.66% | 1,213.47 |
| 2008 | 947,218 | - | 29,194 | 1,317 | 1,141,871 | 4.28% | 1,444.46 |
| 2009 | 1,060,088 | - | 57,549 | 822 | 1,275,017 | 4.87% | 1,577.67 |
| 2010 | 1,021,565 | - | 56,548 | - | 1,204,018 | N/A | 1,495.08 |

Source: Population and personal income is updated annually using census data.Debt information from CAFR Financial Statements and Note 8 to Financial Statements.

## Legal Debt Margin Information – Last Ten Fiscal Years (in thousands of dollars)

| | Fiscal Year Ended December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Debt limit | $ 1,787,221 | $ 1,942,792 | $ 2,059,263 | $ 2,170,601 | $ 2,314,243 | $ 2,517,284 | $ 2,757,514 | $ 2,935,313 | $ 2,900,097 | $ 2,664,736 |
| Total net debt applicable to limit | 48,973 | 46,469 | 113,699 | 103,623 | 95,397 | 84,902 | 73,692 | 62,272 | 50,893 | 29,485 |
| Legal debt margin | 1,738,248 | 1,896,323 | 1,945,564 | 2,066,978 | 2,218,846 | 2,432,382 | 2,683,822 | 2,873,041 | 2,849,204 | 2,635,251 |
| Total net debt applicable to the limit as a percentage of debt limit | 2.7% | 2.4% | 5.5% | 4.8% | 4.1% | 3.4% | 2.7% | 2.2% | 1.8% | 1.1% |

**Legal debt margin calculation for fiscal year 2010**

| | |
|---|---|
| Assessed value | $ 26,647,360 |
| Debt limit (10%) of assessed value | 2,664,736 |
| Debt applicable to limit | |
| General obligation bonds | 63,465 |
| Less: amount set aside for repayment of general obligation debt | 33,980 |
| Total net debt applicable to limit | 29,485 |
| Legal debt margin | $ 2,635,251 |

**Pledged-Revenue Coverage – Last Ten Fiscal Years**
**(in thousands of dollars)**

| Fiscal Year | Utility Service Charges | Less:[1] Operating Expenses | Plus: Investment Income and Other[2] | Net Revenue Available | Debt Service | | | Coverage | Required Coverage |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Principal | Interest | Total | | |
| 2001 | 153,434 | 63,184 | 16,367 | 106,617 | 22,400 | 21,661 | 44,061 | 2.42 | 1.2 |
| 2002 | 154,746 | 75,061 | 12,721 | 92,406 | 23,685 | 20,342 | 44,027 | 2.10 | 1.2 |
| 2003 | 158,733 | 79,045 | 4,839 | 84,527 | 25,100 | 29,715 | 54,815 | 1.54 | 1.2 |
| 2004 | 166,393 | 80,163 | 2,275 | 88,505 | 26,465 | 33,216 | 59,681 | 1.48 | 1.2 |
| 2005 | 179,567 | 84,381 | 4,573 | 99,759 | 27,710 | 30,859 | 58,569 | 1.70 | 1.2 |
| 2006 | 192,824 | 85,313 | 12,115 | 119,626 | 30,105 | 29,696 | 59,801 | 2.00 | 1.2 |
| 2007 | 206,450 | 94,813 | 6,158 | 117,795 | 30,845 | 29,925 | 60,770 | 1.94 | 1.2 |
| 2008 | 194,286 | 98,263 | 2,054 | 98,077 | 30,935 | 31,283 | 62,218 | 1.58 | 1.2 |
| 2009 | 213,484 | 97,020 | 127 | 116,591 | 28,970 | 36,829 | 65,799 | 1.77 | 1.2 |
| 2010 | 253,931 | 103,460 | 402 | 150,873 | 39,315 | 44,212 | 83,527 | 1.81 | 1.2 |

Notes: 1) Operating expenses other than interest on debt, depreciation, and amortization. 2) Excludes gain or loss on sale of capital assets.

## Demographic and Economic Statistics – Last Ten Fiscal Years

| Year | Population[1] | Personal Income (amounts expressed in thousands)[2] | Per Capita Personal Income[3] | Unemployment Rate[4] |
|---|---|---|---|---|
| 2000 | 596,006 | 19,322,421 | 32,404 | 2.7% |
| 2001 | 621,476 | 20,001,248 | 32,167 | 3.3% |
| 2002 | 644,504 | 20,073,737 | 31,134 | 4.5% |
| 2003 | 666,897 | 20,808,229 | 31,208 | 4.4% |
| 2004 | 691,832 | 21,749,048 | 31,430 | 4.2% |
| 2005 | 716,191 | 23,470,205 | 32,760 | 4.6% |
| 2006 | 746,543 | 25,147,545 | 33,666 | 4.1% |
| 2007 | 772,101 | 26,268,514 | 34,006 | 4.0% |
| 2008 | 790,262 | 26,683,858 | 33,755 | 5.6% |
| 2009 | 807,364 | 26,169,065 | 32,381 | 8.7% |
| 2010 | 805,321 | Not available | Not available | 9.2% |

Source: (1) Census Preliminary July 1 estimates (adjusted annually); (2) and (3) Local Area Personal Income, Regional Economic Accounts, Bureau of Economic Analysis and US Department of Commerce data from April 2011 for 2000-2009, (4) Georgia Department of Labor

**Principal Employers – Current Year and Nine Years Ago**

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Gwinnett County Public Schools | 20,421 | 1 | 6.9% | 13,395 | 1 | 4.6% |
| Gwinnett County Government | 4,817 | 2 | 1.6% | 3,859 | 2 | 1.3% |
| Gwinnett Health Systems | 4,120 | 3 | 1.4% | 3,000 | 3 | 1.0% |
| Publix Supermarkets | 2,908 | 4 | 1.0% | | | |
| Walmart | 2,700 | 5 | 0.9% | | | |
| State of Georgia | 2,215 | 6 | 0.7% | | | |
| Kroger Company | 2,084 | 7 | 0.7% | | | |
| US Post Office | 2,068 | 8 | 0.7% | | | |
| Cisco, previously Scientific Atlanta | 1,917 | 9 | 0.6% | 2,900 | 5 | 1.0% |
| Fiserv, previously Check Free | 1,582 | 10 | 0.5% | | | |
| OFS, previously Lucent Technology | | | | 3,000 | 3 | 1.0% |
| CIBA-Vision Corporation | | | | 1,800 | 6 | 0.6% |
| Primerica Financial Services | | | | 1,600 | 7 | 0.6% |
| The Intercept Group | | | | 1,200 | 8 | 0.4% |
| NCR Corporation | | | | 1,200 | 8 | 0.4% |
| EMS Technologies | | | | 1,000 | 10 | 0.3% |

Source: Gwinnett County Department of Planning and Development, Calls made to companies in March 2011
2001 principal employers obtained from page S-30 of the 2002 Gwinnett County Budget document
Total County Employment from the Georgia Department of Labor, 3rd Quarter 2010 and 2001 Annual.

## Full-Time Equivalent County Employees By Function – Last Ten Fiscal Years

| | Fiscal Year Ended December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Function | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General government | 523 | 535 | 567 | 558 | 571 | 575 | 571 | 569 | 538 | 556 |
| Public safety: | | | | | | | | | | |
| Police | 762 | 766 | 810 | 857 | 927 | 951 | 1,013 | 1,048 | 1,041 | 1,066 |
| Fire | 610 | 617 | 637 | 654 | 674 | 713 | 757 | 766 | 784 | 848 |
| Corrections | 121 | 122 | 127 | 139 | 141 | 142 | 142 | 142 | 125 | 139 |
| Sheriff | 390 | 394 | 421 | 429 | 540 | 621 | 686 | 688 | 701 | 706 |
| Judiciary | 343 | 359 | 379 | 382 | 400 | 415 | 436 | 452 | 466 | 466 |
| Transportation | 173 | 173 | 177 | 178 | 179 | 179 | 181 | 181 | 156 | 148 |
| Community services | 194 | 200 | 207 | 218 | 230 | 241 | 251 | 270 | 229 | 245 |
| Water resources | 556 | 561 | 584 | 598 | 600 | 606 | 630 | 646 | 608 | 577 |
| Planning and development | 132 | 132 | 137 | 139 | 143 | 143 | 131 | 131 | 66 | 77 |
| Total | 3,804 | 3,859 | 4,046 | 4,152 | 4,405 | 4,586 | 4,798 | 4,893 | 4,714 | 4,828 |

Source: Department of Financial Services, Corporate Finance, Budget Group

## Operating Indicators By Function – Last Ten Fiscal Years

| Function | Fiscal Year Ended December 31, 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2,008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | | |
| General calls | 276,372 | 302,040 | 319,121 | 331,035 | 359,362 | 373,813 | 360,690 | 466,762 | 532,440 | 528,813 | 498,703 |
| Traffic calls | 143,237 | 141,619 | 155,861 | 147,819 | 159,754 | 140,657 | 149,291 | 184,076 | 192,095 | 211,345 | 203,910 |
| Officers/1,000 population | 0.84 | 0.84 | 0.80 | 0.83 | 0.85 | 0.86 | 0.99 | 1.06 | 1.07 | 1 | 1.03 |
| Fire | | | | | | | | | | | |
| Calls answered | 35,865 | 39,208 | 38,403 | 42,046 | 47,343 | 56,377 | 61,886 | 64,541 | 63,655 | 65,722 | 62,995 |
| Inspections | 12,009 | 12,649 | 11,263 | 9,534 | 12,480 | 12,355 | 12,406 | 10,017 | 13,835 | 16,612 | 11,375 |
| Transportation | | | | | | | | | | | |
| Street resurfacing (miles) | 111 | 115 | 123 | 115 | 113 | 115 | 110 | 85 | 60 | 105 | 90 |
| Parks and recreation | | | | | | | | | | | |
| Classes/programs/camps/ events | 3,992 | 2,898 | 4,423 | 4,556 | 4,692 | 4,803 | 4,643 | 5,616 | 6,259 | 6,660 | 6,581 |
| Number of facility & pavilion rentals | 1,246 | 1,870 | 1,905 | 1,846 | 2,842 | 3,801 | 4,457 | 6,073 | 9,268 | 24,122* | 14,283* |
| Number of pool admissions & passes | 226,689 | 285,729 | 335,115 | 339,998 | 394,596 | 415,242 | 400,014 | 445,000 | 586,009 | 570,090 | 522,322 |
| Number of senior citizens one way passenger trips | 34,083 | 32,672 | 29,282 | 32,904 | 37,967 | 32,374 | 38,232 | 39,687 | 39,472 | 30,456 | 35,543 |
| Water | | | | | | | | | | | |
| Plant capacity (mgd) | 150 | 150 | 150 | 150 | 225 | 225 | 225 | 225 | 225 | 225 | 225 |
| Average daily consumption (mgd) | 85.2 | 85.4 | 83.4 | 76.0 | 82.6 | 80.7 | 87.4 | 86.9 | 71.9 | 71 | 74.734 |
| Maximum daily pumpage (mgd) | 142.6 | 120.2 | 122.5 | 106.0 | 112.8 | 113.3 | 129.8 | 126.3 | 87.9 | 103 | 99.81 |
| Water meters installed | 9,359 | 10,070 | 9,118 | 8,538 | 8,707 | 8,773 | 7,290 | 4,705 | 1,557 | 620 | 977 |
| Miles of water mains installed | 109 | 154 | 100 | 81 | 65 | 94 | 94 | 81 | 45 | 18 | 6.1 |
| Number of customers | 174,848 | 185,236 | 195,320 | 203,657 | 211,723 | 220,856 | 230,752 | 234,447 | 233,675 | 228,807 | 227,356 |
| Sewer | | | | | | | | | | | |
| Average annual daily flow (mgd) | 42 | 45 | 47 | 50 | 51 | 52 | 51 | 49 | 49.5 | 53 | 52.84 |
| Number of customers | 95,532 | 104,382 | 113,336 | 120,967 | 128,121 | 135,311 | 138,284 | 141,807 | 146,267 | 146,276 | 147637 |
| Miles of sewer mains installed | 119 | 120 | 108 | 74 | 125 | 159 | 111 | 116 | 46 | 23 | 7.42 |
| Transit | | | | | | | | | | | |
| Total passengers | - | 28,000 | 300,000 | 985,566 | 1,571,434 | 1,858,670 | 1,917,854 | 1,937,832 | 2,103,565 | 2,319,495 | 2,117,106 |

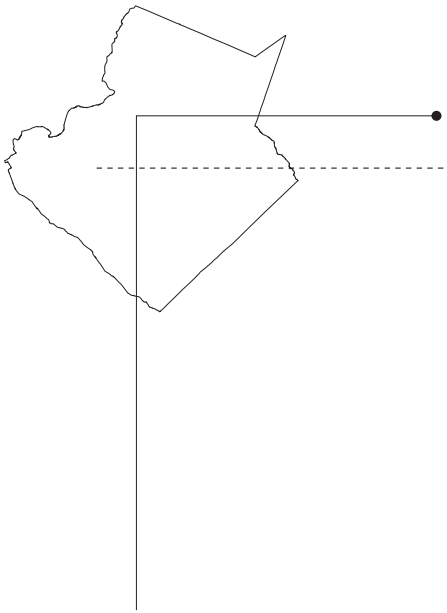
* 2010 saw the loss of amenities at Rhodes Jordan Park due to construction. There were no pavilions available, as well as a decline in tennis court usage.
Source: County operating departments

## Capital Asset Statistics By Function – Last Ten Years

| Function | Fiscal Year Ended December 31, 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2,008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Police precincts/stations | 8 | 8 | 8 | 9 | 9 | 10 | 10 | 12 | 12 | 12 | 11 |
| Fire stations | 22 | 23 | 23 | 24 | 24 | 25 | 26 | 27 | 28 | 28 | 30 |
| Transportation | | | | | | | | | | | |
| Miles county maintained roads | 2,227 | 2,260 | 2,389 | 2,464 | 2,464 | 2,650 | 2,700 | 2,750 | 2,750 | 2,750 | 2,750 |
| Streetlights maintained | 32,336 | 35,000 | 35,500 | 39,734 | 41,953 | 45,000 | 46,421 | 47,637 | 48,161 | 48,643 | 48,774 |
| Traffic signals maintained | 492 | 540 | 545 | 570 | 590 | 610 | 612 | 626 | 643 | 653 | 666 |
| Parks and recreation | | | | | | | | | | | |
| Acreage total | 3,890 | 5,225 | 7,336 | 7,572 | 7,781 | 8,062 | 8,247 | 8,602 | 8,695 | 8,849 | 8,988 |
| Swimming pool sites | 6 | 8 | 8 | 8 | 11 | 11 | 12 | 14 | 17 | 17 | 17 |
| Baseball fields | 80 | 80 | 83 | 83 | 91 | 93 | 102 | 102 | 104 | 104 | 104 |
| Soccer fields | 22 | 22 | 22 | 22 | 26 | 26 | 26 | 26 | 28 | 28 | 28 |
| Tennis courts | 34 | 34 | 34 | 34 | 35 | 39 | 41 | 43 | 47 | 51 | 51 |
| Playgrounds | 22 | 26 | 26 | 30 | 32 | 35 | 36 | 42 | 47 | 52 | 52 |
| Libraries | 10 | 10 | 11 | 11 | 11 | 12 | 14 | 14 | 14 | 14 | 15 |
| Library circulation | 5,158,149 | 5,568,742 | 5,714,056 | 6,100,381 | 6,172,537 | 6,376,188 | 6,158,664 | 6,491,745 | 7,102,215 | 7,526,750 | 7,038,931 |
| Water | | | | | | | | | | | |
| Miles of water mains | 2,732 | 2,863 | 2,982 | 3,056 | 3,121 | 3,215 | 3,300 | 3,346 | 3,399 | 3,408 | 3,411 |
| Fire hydrants | 28,187 | 29,708 | 31,144 | 34,841 | 35,515 | 37,484 | 38,916 | 40,038 | 40,614 | 40,805 | 40,877 |
| Raw water storage (mgd) | 37 | 37 | 37 | 37 | 45 | 45 | 45 | 45 | 45 | 45 | 45 |
| Sewer | | | | | | | | | | | |
| Miles of sewer mains | 1,797 | 1,917 | 2,010 | 2,084 | 2,210 | 2,368 | 2,480 | 2,595 | 2,640 | 2,663 | 2,670 |
| Miles of storm sewers | | | | | | | 810 | 1,096 | 1296 | 1307 | 1,317 |
| Treatment capacity (mgd) | 48.1 | 64.1 | 64.1 | 64.1 | 64.1 | 64.1 | 71.6 | 71.6 | 71.62 | 67.12 | 102.62 |
| Transit buses | - | 14 | 35 | 63 | 63 | 63 | 67 | 67 | 76 | 85 | 96 |

Source: County operating departments

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single audit section





## Single Audit Section
## December 31, 2010

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## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2010

| Title | CFDA No | Grantor Program Number | Grantee Number | Program | Period |
|---|---|---|---|---|---|
| **U.S. Department of Housing And Urban Development** | | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-06-UC-13-0004 | CDBG-2006 | 1/1/06 | 12/31/11 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-07-UC-13-0004 | CDBG-2007 | 1/1/07 | 12/31/12 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-08-UC-13-0004 | CDBG-2008 | 1/1/08 | 12/31/11 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-09-UC-13-0004 | CDBG-2009 | 1/1/09 | 1/1/13 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-10-UC-13-0004 | CDBG-2010 | 10/1/09 | 12/31/15 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-08-UN-13-0005 | NSP HUD 2008 REVISED | 11/18/08 | 7/30/13 |
| Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act) | 14.253 | B-09-UY-13-0004 | ARRA - CDBG-R 2009 | 5/28/09 | 9/30/12 |
| SUBTOTAL – CDBG Cluster | | | | | |
| Community Development Block Grants/State's Program | 14.228 | 08-NS-5063 | NSP DCA-2008 | 11/18/08 | 9/5/11 |
| SUBTOTAL | | | | | |
| Emergency Shelter Grants Program | 14.231 | S-07-UC-13-0011 | ES-2007 | 1/1/07 | 12/31/10 |
| Emergency Shelter Grants Program | 14.231 | S-08-UC-13-0011 | ES-2008 | 1/1/08 | 12/31/10 |
| Emergency Shelter Grants Program | 14.231 | S-09-UC-13-0011 | ES-2009 | 1/1/09 | 12/31/10 |
| Emergency Shelter Grants Program | 14.231 | S-10-UC-13-0011 | ES-2010 | 1/1/10 | 12/31/11 |
| SUBTOTAL | | | | | |
| HOME Investment Partnerships Program | 14.239 | M-03-UC-13-0201 | HOME-2003 | 1/1/03 | 12/31/10 |
| HOME Investment Partnerships Program | 14.239 | M-05-UC-13-0201 | HOME-2005 | 1/1/05 | 12/31/10 |
| HOME Investment Partnerships Program | 14.239 | M-06-UC-13-0201 | HOME-2006 | 1/1/06 | 3/31/11 |
| HOME Investment Partnerships Program | 14.239 | M-07-UC-13-0201 | HOME-2007 | 1/1/07 | 5/31/12 |
| HOME Investment Partnerships Program | 14.239 | M-08-UC-13-0201 | HOME-2008 | 1/1/08 | 3/31/13 |
| HOME Investment Partnerships Program | 14.239 | M-09-UC-13-0201 | HOME-2009 | 1/1/09 | 6/30/14 |
| HOME Investment Partnerships Program | 14.239 | M-10-UC-13-0201 | HOME-2010 | 1/1/10 | 1/1/15 |
| SUBTOTAL | | | | | |
| Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded) | 14.257 | S09-UY-13-0011 | ARRA HPRP-2009 | 8/1/09 | 8/1/11 |
| SUBTOTAL | | | | | |
| TOTAL US DEPT OF HOUSING AND URBAN DEVELOPMENT | | | | | |

| Federal | State/Local | Award Amount | Federal | | State | | Local | |
|---|---|---|---|---|---|---|---|---|
| | | | Expense | Revenue | Expense | Revenue | Expense | Revenue |
| US Dept of Housing and Urban Development | | $4,200,238 | $147,514 | $171,673 | | | | |
| US Dept of Housing and Urban Development | | $4,225,356 | $395,999 | $781,494 | | | | |
| US Dept of Housing and Urban Development | | $4,126,332 | $742,375 | $807,112 | | | | |
| US Dept of Housing and Urban Development | | $4,205,640 | $543,335 | $1,201,274 | | | | $1,112 |
| US Dept of Housing and Urban Development | | $4,561,860 | $2,247,834 | $2,187,848 | | | $32,072 | $32,072 |
| US Dept of Housing and Urban Development | | $10,507,827 | $5,950,273 | $5,943,071 | | | $3,044,682 | $4,209,935 |
| US Dept of Housing and Urban Development | | $1,120,817 | $813,738 | $804,504 | | | | |
| | | | **$10,841,068** | **$11,896,976** | | | **$3,076,754** | **$4,243,119** |
| US Dept of Housing and Urban Development | GA Dept of Community Affairs | $3,004,227 | $1,192,710 | $1,607,387 | | | $765,475 | $920,981 |
| | | | **$1,192,710** | **$1,607,387** | | | **$765,475** | **$920,981** |
| US Dept of Housing and Urban Development | | $181,157 | $2,430 | $2,430 | | | | |
| US Dept of Housing and Urban Development | | $182,056 | $249 | $249 | | | | |
| US Dept of Housing and Urban Development | | $183,718 | $72,839 | $72,839 | | | | |
| US Dept of Housing and Urban Development | | $184,705 | $137,845 | $137,166 | | | | |
| | | | **$213,363** | **$212,684** | | | | |
| US Dept of Housing and Urban Development | | $1,620,057 | $103,308 | $103,308 | | | | |
| US Dept of Housing and Urban Development | | $1,644,910 | $2,429 | $2,429 | | | | |
| US Dept of Housing and Urban Development | | $1,520,842 | $32,966 | $32,348 | | | | |
| US Dept of Housing and Urban Development | | $1,505,692 | $240,101 | $207,891 | | | | |
| US Dept of Housing and Urban Development | | $1,443,535 | $452,506 | $301,103 | | | | |
| US Dept of Housing and Urban Development | | $1,588,261 | $425,694 | $660,977 | | | | |
| US Dept of Housing and Urban Development | | $1,584,502 | $651,422 | $494,748 | | | $45,451 | $45,451 |
| | | | **$1,908,426** | **$1,802,804** | | | **$45,451** | **$45,451** |
| US Dept of Housing and Urban Development | | $1,713,730 | $815,888 | $815,888 | | | | |
| | | | **$815,888** | **$815,888** | | | | |
| | | | **$14,971,455** | **$16,335,739** | | | **$3,887,680** | **$5,209,551** |

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2010

| Title | CFDA No | Grantor Program Number | Grantee Number | Program | Period |
|---|---|---|---|---|---|
| **U.S. Department of Justice** | | | | | |
| Juvenile Accountability Incentive Block Grant | 16.523 | 07B-ST-0001 | CJCJ-09(POS) | 10/1/09 | 10/31/10 |
| Juvenile Accountability Incentive Block Grant | 16.523 | JB-08ST-0002 | CJCJ-10(POS) | 10/1/10 | 9/30/11 |
| SUBTOTAL | | | | | |
| Crime Victim Assistance | 16.575 | C09-8-075 | CJCC-09(VOCA) | 10/1/09 | 9/30/10 |
| Crime Victim Assistance | 16.575 | C10-8-093 | CJCC-10(VOCA) | 10/1/10 | 9/30/11 |
| SUBTOTAL | | | | | |
| State Criminal Alien Assistance Program | 16.606 | 2008-AP-BX-1655 | DOJ-08(SCAAP) | 12/9/08 | 6/30/11 |
| State Criminal Alien Assistance Program | 16.606 | 2009-AP-BX-0706 | DOJ-09(SCAAP) | 9/30/09 | 9/30/10 |
| State Criminal Alien Assistance Program | 16.606 | 2010-AP-BX-0404 | DOJ-10(SCAAP) | 11/16/10 | 12/31/11 |
| SUBTOTAL | | | | | |
| Bulletproof Vest Partnership Program | 16.607 | BVP FY2009 | DOJ-2009 BVP | 4/1/09 | 9/30/10 |
| SUBTOTAL | | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2007-DJ-BX-0697 | DOJ-07(JAG) | 10/1/06 | 2/28/11 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2008-DJ-BX-0390 | DOJ-08(JAG) | 10/1/07 | 9/30/11 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2009-DJ-BX-0294 | DOJ-09(JAG) | 10/1/08 | 9/30/12 |
| SUBTOTAL | | | | | |
| Recovery Act – Edward Byrne Memorial Justice Assistance Grant Program | 16.803 | B82-8-133 | ARRA-CJCC-10(AOC) | 1/1/10 | 12/31/12 |
| Recovery Act – Edward Byrne Memorial Justice Assistance Grant Program | 16.803 | B82-8-143 | ARRA-CJCC-10(CJIS) | 1/1/10 | 12/31/12 |
| Recovery Act – Edward Byrne Memorial Justice Assistance Grant Program | 16.803 | B82-8-141 | ARRA-CJCC-10(DA) | 1/1/10 | 12/31/12 |
| Recovery Act – Edward Byrne Memorial Justice Assistance Grant Program | 16.803 | B82-8-138 | ARRA-CJCC-10(GTC) | 1/1/10 | 12/31/12 |
| Recovery Act – Edward Byrne Memorial Justice Assistance Grant Program | 16.803 | B82-8-138 | ARRA-CJCC-10(SOL OF) | 1/1/10 | 12/31/12 |
| SUBTOTAL | | | | | |
| Recovery Act – Edward Byrne Memorial Justice Assistance Grant Program | 16.804 | 2009-SB-B9-0775 | ARRA-DOJ-09(JAG) | 3/1/09 | 2/28/13 |
| SUBTOTAL | | | | | |
| TOTAL US DEPT OF JUSTICE | | | | | |

| Federal | State/Local | Award Amount | Federal | | State | | Local | |
|---|---|---|---|---|---|---|---|---|
| | | | Expense | Revenue | Expense | Revenue | Expense | Revenue |
| US Dept of Justice | Council of Juvenile Court Judges of GA | $5,300 | $4,500 | $4,500 | | | | |
| US Dept of Justice | Council of Juvenile Court Judges of GA | $7,500 | $400 | $400 | | | | |
| | | | **$4,900** | **$4,900** | | | | |
| US Dept of Justice | Criminal Justice Coordinating Council | $45,703 | $53,065 | $37,574 | | | | $15,832 |
| US Dept of Justice | Criminal Justice Coordinating Council | $45,703 | $14,919 | $18,535 | | | | $5,277 |
| | | | **$67,984** | **$56,109** | | | | **$21,109** |
| US Dept of Justice | | $152,520 | $6,430 | | | | | |
| US Dept of Justice | | $140,326 | $140,326 | $140,326 | | | | |
| US Dept of Justice | | $139,048 | | $139,048 | | | | |
| | | | **$146,756** | **$279,374** | | | | |
| US Dept of Justice | | $1,392 | | $1,392 | | | | |
| | | | | **$1,392** | | | | |
| US Dept of Justice | | $216,131 | $114,306 | | | | | |
| US Dept of Justice | | $77,402 | $22,781 | | | | | |
| US Dept of Justice | | $259,719 | $54,407 | $259,719 | | | $296 | $377 |
| | | | **$191,494** | **$259,719** | | | **$296** | **$377** |
| US Dept of Justice | Criminal Justice Coordinating Council | $50,000 | $13,755 | $13,357 | | | | |
| US Dept of Justice | Criminal Justice Coordinating Council | $50,000 | $25,000 | $25,000 | | | | |
| US Dept of Justice | Criminal Justice Coordinating Council | $188,587 | $89,316 | $85,652 | | | | |
| US Dept of Justice | Criminal Justice Coordinating Council | $20,000 | $17,599 | $17,599 | | | | |
| US Dept of Justice | Criminal Justice Coordinating Council | $10,059 | $7,630 | $7,630 | | | | |
| | | | **$153,300** | **$149,238** | | | | |
| US Dept of Justice | Criminal Justice Coordinating Council | $1,065,466 | $310,692 | $311,629 | | | | |
| | | | **$310,692** | **$311,629** | | | | |
| | | | **$875,126** | **$1,062,361** | | | **$296** | **$21,486** |

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2010

| Title | CFDA No | Grantor Program Number | Grantee Number | Program | Period |
|---|---|---|---|---|---|
| **U.S. Department of Labor** | | | | | |
| WIA Adult Program | 17.258 | WD0804 | WIA-2008 | 7/1/08 | 6/30/10 |
| WIA Adult Program | 17.258 | WD1118 | WIA-2010 | 7/1/10 | 6/30/11 |
| SUBTOTAL | | | | | |
| TOTAL US DEPT OF LABOR | | | | | |
| **U.S. Department of Transportation** | | | | | |
| Airport Improvement Program | 20.106 | 3-13-0074-028-2008 | FAA-2008 | 6/11/08 | 12/31/10 |
| SUBTOTAL | | | | | |
| Highway Planning & Construction | 20.205 | CSSTP-0006-00(825) | ARRA-GADOT 06-825 | 7/13/09 | 8/28/11 |
| Highway Planning & Construction | 20.205 | CSSTP-0006-00(829) | ARRA-GADOT 08-829 | 7/13/09 | 8/28/11 |
| Highway Planning & Construction | 20.205 | CSSTP-0006-00828 | GADOT 06-828 | 5/2/06 | 12/31/11 |
| Highway Planning & Construction | 20.205 | CSSTP-0006-00830 | GADOT 06-830 | 5/2/06 | 12/31/11 |
| Highway Planning & Construction | 20.205 | TEE-0008-00(149) | GADOT 06-TE8149 | 8/1/06 | 12/31/11 |
| Highway Planning & Construction | 20.205 | CSHPP-0008-00(34) | GADOT 08(034) | 5/3/10 | 5/3/12 |
| Highway Planning & Construction | 20.205 | STP00-0005-00(825) | GADOT 08-615 | 11/4/08 | 12/31/11 |
| Highway Planning & Construction | 20.205 | STP00-0005-00(688) | GADOT 08-616 | 11/4/08 | 12/31/11 |
| Highway Planning & Construction | 20.205 | STP00-0000-00(109) | GADOT 08-TE109 | 11/18/08 | 12/31/11 |
| Highway Planning & Construction | 20.205 | N/A | GRTA-2005 | 9/1/05 | 12/31/12 |
| SUBTOTAL | | | | | |
| Federal Transit-Formula Grant | 20.507 | GA-96-X004-00 | ARRA-FTA-004 | 7/13/09 | 9/30/12 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X133-01 | FTA-133 | 8/31/01 | 12/30/09 |
| Federal Transit-Formula Grant | 20.507 | FTA-90X155-00 | FTA-155 | 1/24/02 | 8/12/12 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X170-00 | FTA-170 | 9/3/02 | 9/30/11 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X192-00 | FTA-192 | 9/18/03 | 1/1/12 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X192-00 | FTA-192 (OPERATING) | 9/18/03 | 1/1/12 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X287-00 | FTA-2010 (OPERATING) | 6/15/10 | 9/30/13 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X203-01 | FTA-203 (OPERATING) | 1/1/05 | 9/30/12 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X231-00 | FTA-231 | 9/12/06 | 9/30/12 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X231-01 | FTA-231 (OPERATING) | 9/12/06 | 9/30/12 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X251-00 | FTA-251 (OPERATING) | 9/26/07 | 12/31/11 |
| Federal Transit-Formula Grant | 20.507 | GA-90-X275-00 | FTA-275 (OPERATING) | 1/22/09 | 12/31/11 |
| SUBTOTAL | | | | | |

| Federal | State/Local | Award Amount | Federal | | State | | Local | |
|---|---|---|---|---|---|---|---|---|
| | | | Expense | Revenue | Expense | Revenue | Expense | Revenue |
| US Dept of Labor | Atlanta Regional Commission | $206,800 | $54,813 | $54,813 | | | | |
| US Dept of Labor | Atlanta Regional Commission | $118,486 | $60,559 | $59,249 | | | | |
| | | | **$115,372** | **$114,062** | | | | |
| | | | **$115,372** | **$114,062** | | | | |
| US Dept of Transportation | Federal Aviation Administration | $75,670 | $10,182 | $10,182 | | | | |
| | | | **$10,182** | **$10,182** | | | | |
| US Dept of Transportation | GA Dept of Transportation | $1,195,799 | $966,775 | $918,436 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $1,384,553 | $922,993 | $876,843 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $1,166,092 | $458,839 | $427,484 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $611,747 | $4,800 | $4,560 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $625,000 | $175,911 | $188,728 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $359,960 | $359,960 | $359,960 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $848,500 | $63,799 | $56,896 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $789,030 | $304,904 | $289,659 | | | | |
| US Dept of Transportation | GA Dept of Transportation | $272,000 | $120,263 | $120,263 | | | | |
| US Dept of Transportation | GA Regional Transportation Agency | $8,884,111 | $2,142,143 | $1,288,234 | | | | |
| | | | **$5,520,387** | **$4,531,063** | | | | |
| US Dept of Transportation | Federal Transit Administration | $9,444,886 | $2,767,261 | $2,767,261 | | | | |
| US Dept of Transportation | Federal Transit Administration | $20,955,122 | $8,790 | $8,790 | | | | |
| US Dept of Transportation | Federal Transit Administration | $18,802 | $18,802 | $18,802 | | | | |
| US Dept of Transportation | Federal Transit Administration | $6,198,544 | $449,360 | $449,360 | | | | |
| US Dept of Transportation | Federal Transit Administration | $270,319 | $8,467 | $8,467 | | | | |
| US Dept of Transportation | Federal Transit Administration | $1,938,053 | $120,000 | $120,000 | | | | |
| US Dept of Transportation | Federal Transit Administration | $3,843,313 | $33,903 | $33,902 | | | | |
| US Dept of Transportation | Federal Transit Administration | $8,256,291 | $78,520 | $78,520 | | | | |
| US Dept of Transportation | Federal Transit Administration | $1,996,926 | $311,772 | $323,923 | | | | |
| US Dept of Transportation | Federal Transit Administration | $3,849,228 | $2,825,486 | $2,825,486 | | | | |
| US Dept of Transportation | Federal Transit Administration | $3,879,151 | $159,081 | $157,754 | | | | |
| US Dept of Transportation | Federal Transit Administration | $1,229,000 | $644,436 | $644,436 | | | | |
| | | | **$7,425,878** | **$7,436,701** | | | | |

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2010

| Title | CFDA No | Grantor Program Number | Grantee Number | Program | Period |
|---|---|---|---|---|---|
| State and Community Highway Safety | 20.600 | GA-2010-000-00394 | GOHS-09/10(DUI) | 10/1/09 | 11/30/10 |
| State and Community Highway Safety | 20.600 | GA-2011-000-00405 | GOHS-10/11(DUI) | 10/1/10 | 9/30/11 |
| SUBTOTAL | | | | | |
| TOTAL US DEPT OF TRANSPORTATION | | | | | |
| **U.S. Environmental Protection Agency** | | | | | |
| Congressionally Mandated Projects | 66.202 | XP9740-13-00-0 | EPA-2000 | 10/1/00 | 12/31/13 |
| SUBTOTAL | | | | | |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | CWSRF 09-055 | ARRA-GEFA-2009-1 | 9/1/09 | 12/31/12 |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | WSRF 04-005(2) | F-0138 | 9/13/06 | Completed |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | WSRF 04-005(3) | ARRA-GEFA-2009-2 | 9/1/09 | 12/31/12 |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | CWSRF 03-002NP | F-0240 | 9/12/04 | Completed |
| SUBTOTAL | | | | | |
| Nonpoint Source Implementation Grant | 66.460 | 751-70061 | EPD 06-FY04(E19) | 8/15/06 | 6/30/10 |
| Nonpoint Source Implementation Grant | 66.460 | 751-90059 | EPD-2008 | 8/25/08 | 6/30/11 |
| SUBTOTAL | | | | | |
| TOTAL US ENVIRONMENTAL PROTECTION AGENCY | | | | | |
| **U.S. Department of Energy** | | | | | |
| Weatherization Assistance for Low-Income Persons | 81.042 | DOER-ARRA-DOE-WX-09/12 | ARRA/DOE-2009 | 8/1/09 | 3/31/12 |
| Weatherization Assistance for Low-Income Persons | 81.042 | DOER-DOE-WX-09/10-29 | DOE-2009 | 4/1/09 | 2/5/11 |
| SUBTOTAL | | | | | |
| Energy Efficiency and Conservation Block Grant Program (EECBG) | 81.128 | DE-EE0000805 | ARRA-DOE-09(ENERGY) | 8/24/09 | 8/23/12 |
| SUBTOTAL | | | | | |
| TOTAL US DEPT OF ENERGY | | | | | |

| Federal | State/Local | Award Amount | Federal | | State | | Local | |
|---|---|---|---|---|---|---|---|---|
| | | | Expense | Revenue | Expense | Revenue | Expense | Revenue |
| US Dept of Transportation | Governors Office of Highway Safety | $29,010 | $32,201 | $24,585 | | | | $6,588 |
| US Dept of Transportation | Governors Office of Highway Safety | $29,000 | $9,314 | $6,985 | | | | $3,082 |
| | | | **$41,515** | **$31,570** | | | | **$9,670** |
| | | | **$12,997,962** | **$12,009,516** | | | | **$9,670** |
| US Environmental Protection Agency | | $2,619,550 | $108,891 | $105,619 | | | | |
| | | | **$108,891** | **$105,619** | | | | |
| US Environmental Protection Agency | GA Environmental Facilities Authority | $5,000,000 | $3,975,223 | $2,118,680 | | | | |
| US Environmental Protection Agency | GA Environmental Facilities Authority | $23,000,000 | $93,006 | | | | | |
| US Environmental Protection Agency | GA Environmental Facilities Authority | $10,000,000 | $3,174,311 | $9,500,000 | | | | |
| US Environmental Protection Agency | GA Environmental Facilities Authority | #N/A | $280,076 | $240,092 | | | | |
| | | | **$7,522,616** | **$11,858,772** | | | | |
| US Environmental Protection Agency | GA Environmental Protection Division | $600,000 | $39,012 | $47,527 | | | | |
| US Environmental Protection Agency | GA Environmental Protection Division | $600,000 | $280,762 | $252,787 | | | | |
| | | | **$319,774** | **$300,314** | | | | |
| | | | **$7,951,281** | **$12,264,705** | | | | |
| US Dept of Energy | GA Environmental Facilities Authority | $3,284,888 | $1,181,681 | $1,181,582 | | | | |
| US Dept of Energy | GA Environmental Facilities Authority | $112,915 | $27,487 | $27,487 | | | | |
| | | | **$1,209,168** | **$1,209,069** | | | | |
| US Dept of Energy | | $7,312,700 | $1,329,952 | $1,107,713 | | | | |
| | | | **$1,329,952** | **$1,107,713** | | | | |
| | | | **$2,539,120** | **$2,316,782** | | | | |

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2010

| Title | CFDA No | Grantor Program Number | Grantee Number | Program | Period |
|---|---|---|---|---|---|
| **U.S. Department of Health And Human Services** | | | | | |
| Special Programs for the Aging-Title III, Part B-Supportive Svs & Senior Ctr | 93.044 | AR08 | AR07-IIIB | 7/1/07 | 12/31/10 |
| Special Programs for the Aging-Title III, Part B-Supportive Svs & Senior Ctr | 93.044 | | AR08-IIIB | 7/1/08 | 6/30/11 |
| Special Programs for the Aging-Title III, Part B-Supportive Svs & Senior Ctr | 93.044 | AG1010 | AR09-IIIB | 7/1/09 | 6/30/11 |
| Special Programs for the Aging-Title III, Part B-Supportive Svs & Senior Ctr | 93.044 | AG1117 | AR10-IIIB | 7/1/10 | 6/30/11 |
| Special Programs for the Aging-Title III, Part C-Nutrition Services | 93.045 | AR08 | AR07-IIIC | 7/1/07 | 12/31/10 |
| Special Programs for the Aging-Title III, Part C-Nutrition Services | 93.045 | | AR08-IIIC | 7/1/08 | 12/31/10 |
| Special Programs for the Aging-Title III, Part C-Nutrition Services | 93.045 | AG1010 | AR09-IIIC | 7/1/09 | 6/30/11 |
| Special Programs for the Aging-Title III, Part C-Nutrition Services | 93.045 | AG1117 | AR10-IIIC | 7/1/10 | 6/30/11 |
| Nutrition Services Incentive Program | 93.053 | AR08 | AR07-USDA | 7/1/07 | 12/31/10 |
| Nutrition Services Incentive Program | 93.053 | AG1010 | AR09-NSIP | 7/1/09 | 6/30/11 |
| Nutrition Services Incentive Program | 93.053 | AG1117 | AR10-NSIP | 7/1/10 | 6/30/11 |
| Aging Home-Delivered Nutrition Services for States | 93.705 | AG0939 | ARRA-AR09-IIIC HDM | 7/1/09 | 6/30/11 |
| Aging Congregate Nutrition Services for States | 93.707 | AG0939 | ARRA-AR09-IIIC CONG | 7/1/09 | 6/30/11 |
| SUBTOTAL – Aging Cluster | | | | | |
| National Family Caregiver Support | 93.052 | AG1010 | AR09-IIIE | 7/1/09 | 6/30/10 |
| National Family Caregiver Support | 93.052 | AG1117 | AR10-IIIE | 7/1/10 | 6/30/11 |
| SUBTOTAL | | | | | |
| Low-Income Home Energy Assistance | 93.568 | DOER-HHS-WX-09/10-29 | HS-2009 | 4/1/09 | 4/15/10 |
| SUBTOTAL | | | | | |
| Social Services Block Grant | 93.667 | AG1010 | AR09-SSBG | 7/1/09 | 6/30/11 |
| Social Services Block Grant | 93.667 | AG1117 | AR10-SSBG | 7/1/10 | 6/30/11 |
| SUBTOTAL | | | | | |
| Medical Assistance Program | 93.778 | 000272742B | GADCH 07-08 | 7/1/07 | 12/31/10 |
| Medical Assistance Program | 93.778 | 000272742B | GADCH-09/10 | 7/1/09 | 6/30/11 |
| Medical Assistance Program | 93.778 | 000272748 | GADCH-10/11 | 7/1/10 | 6/30/11 |
| Medical Assistance Program | 93.778 | 000272742B | GADCH-2005 | 6/30/04 | 12/31/10 |
| SUBTOTAL | | | | | |
| TOTAL US DEPT OF HEALTH AND HUMAN SERVICES | | | | | |

| Federal | State/Local | Award Amount | Federal | | State | | Local | |
|---|---|---|---|---|---|---|---|---|
| | | | Expense | Revenue | Expense | Revenue | Expense | Revenue |
| US Dept of Health and Human Services | Atlanta Regional Commission | $136,461 | $1,310 | | $77 | | $154 | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $141,818 | -$266 | | -$16 | | -$31 | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $141,818 | $64,678 | $66,882 | $3,805 | $3,934 | $7,609 | $10,234 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $141,818 | $74,343 | $70,771 | $4,373 | $4,164 | $8,746 | $9,599 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $381,437 | $311 | | $18 | | $37 | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $342,199 | $25,065 | | $1,474 | | $2,949 | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $342,198 | $124,541 | $175,767 | $7,326 | $10,340 | $14,652 | $27,548 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $378,486 | $97,887 | $181,850 | $5,758 | $10,699 | $11,516 | $34,148 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $35,888 | $1,079 | | | | | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $50,558 | $24,487 | $27,777 | | | | $8 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $41,552 | $11,191 | $21,527 | | | | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $22,897 | $13,321 | | | | $2,351 | $6 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $46,508 | $43,787 | $30,198 | | | $7,727 | |
| | | | **$481,734** | **$574,772** | **$22,815** | **$29,137** | **$55,710** | **$81,543** |
| US Dept of Health and Human Services | Atlanta Regional Commission | $52,469 | $20,279 | $20,964 | $4,056 | $4,192 | $2,704 | $2,798 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $52,469 | $25,311 | $24,576 | $5,062 | $4,916 | $3,375 | $3,274 |
| | | | **$45,590** | **$45,540** | **$9,118** | **$9,108** | **$6,079** | **$6,072** |
| US Dept of Health and Human Services | Atlanta Regional Commission | $40,225 | $9,810 | $9,810 | | | | |
| | | | **$9,810** | **$9,810** | | | | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $103,294 | $66,284 | $47,281 | | | $9,039 | $7,503 |
| US Dept of Health and Human Services | Atlanta Regional Commission | $103,294 | $43,676 | $57,231 | | | $5,956 | $8,839 |
| | | | **$109,960** | **$104,512** | | | **$14,995** | **$16,342** |
| US Dept of Health and Human Services | Atlanta Regional Commission | $92,679 | $3,868 | | | | | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $71,281 | $28,017 | $36,045 | | | | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $65,800 | $8,983 | $22,148 | | | | |
| US Dept of Health and Human Services | Atlanta Regional Commission | $35,450 | $370 | | | | | |
| | | | **$41,238** | **$58,193** | | | | |
| | | | **$688,332** | **$792,827** | **$31,933** | **$38,245** | **$76,784** | **$103,957** |

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2010

| Title | CFDA No | Grantor Program Number | Grantee Number | Program | Period |
|---|---|---|---|---|---|
| **U.S. Department of Homeland Security** | | | | | |
| Public Assistance Grants | 97.036 | FEMA-1858-DR-GA | GADHS-2009(FLOOD) | 9/26/09 | 3/26/11 |
| SUBTOTAL | | | | | |
| Hazard Mitigation Plan | 97.039 | HMGP-1686-0015 | GEMA HMGP-1686-15 | 4/2/09 | 3/31/11 |
| SUBTOTAL | | | | | |
| Emergency Management Performance Grants | 97.042 | P08-9-031 | GADHS-09(P08-9-031) | 7/1/08 | 2/28/10 |
| Emergency Management Performance Grants | 97.042 | P-09-9-069 | GADHS-09(P09-9-069) | 7/1/09 | 12/31/10 |
| Emergency Management Performance Grants | 97.042 | 2010-EP-00-0013 | GADHS-10(EP-00-0013) | 7/1/10 | 6/30/11 |
| SUBTOTAL | | | | | |
| Citizen Corps | 97.053 | 2006-GE-T6-0066 | GADHS-07(BW091-CIT) | 7/1/06 | 9/30/09 |
| Citizen Corps | 97.053 | 2007-GE-T7-0054 | GADHS-08(BW0994-CIT) | 7/1/07 | 7/31/10 |
| Citizen Corps | 97.053 | 2008-GE-T8-0017 | GADHS-09(BW2086-CIT) | 9/1/08 | 3/31/11 |
| Citizen Corps | 97.053 | 2009-SS-T9-0047 | GADHS-10(BW2374-CIT) | 8/21/09 | 7/31/11 |
| Homeland Security Grant Program | 97.067 | 2008-GE-T8-0017 | GADHS-09(BW2241) | 9/1/08 | 3/31/11 |
| Homeland Security Grant Program | 97.067 | 2008-GE-T8-0017 | GADHS-09(BW2242) | 9/1/08 | 3/31/11 |
| Homeland Security Grant Program | 97.067 | 2009-SS-T9-0047 | GADHS-10(BW2405) | 8/21/09 | 7/31/11 |
| SUBTOTAL – Homeland Security Cluster | | | | | |
| State Homeland Security Program (SHSP) | 97.073 | 2007-GE-T7-0054 | GADHS-08(BW0966-EQU) | 7/1/07 | 7/31/10 |
| State Homeland Security Program (SHSP) | 97.073 | 2008-GE-T8-0017 | GADHS-09(BW2240) | 9/1/08 | 3/31/11 |
| SUBTOTAL | | | | | |
| Buffer Zone Protection Plan (BZPP) | 97.078 | 2008-BZ-T8-0034 | GADHS-10(BW2268) | 9/1/08 | 3/31/11 |
| Buffer Zone Protection Plan (BZPP) | 97.078 | 2008-BZ-T8-0034 | GADHS-10(BW2269) | 9/1/08 | 3/31/11 |
| SUBTOTAL | | | | | |
| TOTAL US DEPT OF HOMELAND SECURITY | | | | | |
| TOTAL FEDERAL ASSISTANCE | | | | | |

| Federal | State/Local | Award Amount | Federal | | State | | Local | |
|---|---|---|---|---|---|---|---|---|
| | | | Expense | Revenue | Expense | Revenue | Expense | Revenue |
| US Dept of Homeland Security | Federal Emergency Management Agency | N/A | $3,625,185 | $5,765,931 | | | | |
| | | | **$3,625,185** | **$5,765,931** | | | | |
| US Dept of Homeland Security | Federal Emergency Management Agency | $156,563 | $7,860 | $5,895 | | | | |
| | | | **$7,860** | **$5,895** | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $100,000 | $100,000 | $100,000 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $100,000 | $100,475 | $101,000 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $100,000 | | $100,000 | | | | |
| | | | **$200,475** | **$301,000** | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $26,208 | | | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $18,000 | $16,269 | $16,254 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $19,037 | $16,508 | $15,841 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $20,000 | $2,853 | $2,807 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $25,000 | $19,745 | $19,583 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $452,807 | $96,609 | $96,581 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $23,000 | $944 | $792 | | | | |
| | | | **$152,928** | **$151,858** | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $300,000 | $54,000 | $54,000 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $61,430 | $57,537 | $57,466 | | | | |
| | | | **$111,537** | **$111,466** | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $193,000 | $154,614 | $154,514 | | | | |
| US Dept of Homeland Security | GA Dept of Homeland Security | $96,500 | $75,699 | $75,699 | | | | |
| | | | **$230,313** | **$230,213** | | | | |
| | | | **$4,328,298** | **$6,566,363** | | | | |
| | | | **$44,466,946** | **$51,462,355** | **$31,933** | **$38,245** | **$3,964,760** | **$5,344,664** |

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2010

| Title | CFDA No | Grantor Program Number | Grantee Number | Program | Period |
|---|---|---|---|---|---|
| **State/Local Assistance** | | | | | |
| Intern Program | | N/A | ACCG-2010 | 5/1/10 | 1/31/11 |
| Community-Based Day Care Services Division of Aging Services Home Delivered Meals | | AR08 | AR07-CBS | 7/1/07 | 12/31/10 |
| Community-Based Day Care Services Division of Aging Services Home Delivered Meals | | AR09 | AR08-CBS | 7/1/08 | 6/30/11 |
| Community-Based Day Care Services Division of Aging Services Home Delivered Meals | | AG1010 | AR09-CBS | 7/1/09 | 6/30/11 |
| Community-Based Day Care Services Division of Aging Services Home Delivered Meals | | AG1117 | AR10-CBS | 7/1/10 | 6/30/11 |
| Alzheimer's Program | | AG1010 | AR09-ALZ | 7/1/09 | 6/30/11 |
| Alzheimer's Program | | AG1117 | AR10-ALZ | 7/1/10 | 6/30/11 |
| Special Program for Aging | | AG1010 | AR09-ITCO | 7/1/09 | 6/30/11 |
| Senior Service Program | | ARC-2003 | ARC-2003 | 7/1/04 | 12/31/10 |
| Friends of Gwinnett Seniors | | N/A | FRIENDS-10 | 4/14/10 | 12/31/10 |
| Family Connection for Gwinnett Coalition Fiscal Agent | | 427-93-10100368-99 | GADHS-FAMCONN 09/10 | 7/1/09 | 9/30/10 |
| Family Connection for Gwinnett Coalition Fiscal Agent | | 427-93-11110120-99 | GADHS-FAMCONN 10/11 | 7/1/10 | 6/30/11 |
| State Airport Improvement Program | | AP090-9000-27(135) | GADOT 08-AP(135) | 11/13/08 | 12/31/10 |
| Family Connection for Gwinnett Coalition Fiscal Agent | | PT000-2001-06-014 | GADOT#06-014 | 6/30/06 | 12/31/11 |
| Capital Improvement Assistance | | PT000-2001-06-014 | GADOT#06-014 (OPER) | 6/30/06 | 12/31/10 |
| Capital Improvement Assistance | | PT000 2001-07-006 | GADOT-006 (OPER) | 6/15/07 | 12/31/11 |
| Capital Improvement Assistance | | PT000 2001-09-008 | GADOT-008 (OPER) | 1/1/09 | 12/31/12 |
| Capital Improvement Assistance | | PT000-2001-99-0014 | GADOT-014 (OPER) | 10/1/06 | 6/30/10 |
| Capital Improvement Assistance | | PT000-2001-04-015 | GADOT-015 (OPER) | 6/16/04 | 12/31/11 |
| Capital Improvement Assistance | | PT000-2001-01-017 | GADOT-017 | 6/29/01 | 12/31/11 |
| Capital Improvement Assistance | | PT000-2001-01-017 | GADOT-017 (OPER) | 1/1/05 | 12/31/11 |
| Dowpayment Assistance Program | | N/A | GHA-2010 | 6/15/10 | 6/30/11 |
| Dowpayment Assistance Program | | N/A | GWT HOUSING AUTH-09 | 8/1/09 | 12/31/10 |
| TOTAL STATE/LOCAL ASSISTANCE | | | | | |
| TOTAL PROGRAMS | | | | | |

| Federal | State/Local | Award Amount | Federal | | State | | Local | |
|---|---|---|---|---|---|---|---|---|
| | | | Expense | Revenue | Expense | Revenue | Expense | Revenue |
| | Association County Commissioners of GA | N/A | | | | | $7,317 | $7,572 |
| | Atlanta Regional Commission | $280,093 | | | $16,428 | | | |
| | Atlanta Regional Commission | $290,272 | | | $21,616 | | | |
| | Atlanta Regional Commission | $233,981 | | | $111,247 | $129,389 | | $1,362 |
| | Atlanta Regional Commission | $226,824 | | | $43,297 | $114,063 | | |
| | Atlanta Regional Commission | $41,586 | | | $17,842 | $21,453 | | $65 |
| | Atlanta Regional Commission | $41,586 | | | $20,028 | $19,400 | | |
| | Atlanta Regional Commission | $2,079 | | | $2,021 | $2,079 | | |
| | Atlanta Regional Commission | $91,563 | | | $217 | | | |
| | Friends of Gwinnett County Senior Services | $50,000 | | | | | $50,000 | $50,000 |
| | GA Dept of Human Services | $45,000 | | | $24,905 | $24,905 | | |
| | GA Dept of Human Services | $42,250 | | | $18,430 | $18,430 | | |
| | GA Dept of Transportation | $1,991 | | | $268 | $268 | | |
| | GA Dept of Transportation | $141,088 | | | $36,310 | $36,310 | | |
| | GA Dept of Transportation | $247,178 | | | $166,918 | $166,918 | | |
| | GA Dept of Transportation | $240,625 | | | $205,163 | $204,997 | | |
| | GA Dept of Transportation | $469,366 | | | $27,021 | $27,021 | | |
| | GA Dept of Transportation | $66,727 | | | $2,128 | $19,390 | | |
| | GA Dept of Transportation | $239,736 | | | | | | |
| | GA Dept of Transportation | $2,447,802 | | | $63,339 | $64,858 | | |
| | GA Dept of Transportation | $372,056 | | | $66,448 | $67,167 | | |
| | Gwinnett Housing Authority | $260,000 | | | | | $40,000 | $260,000 |
| | Gwinnett Housing Authority | $260,000 | | | | | $164,946 | -$14,478 |
| | | | | | **$843,626** | **$916,648** | **$262,263** | **$304,521** |
| | | | **$44,466,946** | **$51,462,355** | **$875,559** | **$954,893** | **$4,227,023** | **$5,649,185** |

## Notes to Schedule of Federal, State, and Local Awards
## Basis of Presentation and Accounting

The accompanying schedule of expenditures of federal, state, and local awards presents the activity of all federal and state financial assistance programs of Gwinnett County, Georgia (the "County"). The County reporting entity is defined in ***Note 1*** to the County's financial statements. Federal financial assistance received directly from federal agencies, federal assistance passed through other government agencies, and state and local financial assistance are included on the schedule.

The accompanying schedule of expenditures of federal, state, and local awards is presented using the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for proprietary fund types as more fully described in ***Note 1*** to the County's financial statements.

## Sub-Recipient Disbursements

During 2010, disbursements were made to sub-recipients of the following grant programs:

| Program | CFDA | Amount |
|---|---|---|
| Community Development Block Grants/Entitlement Grants | 14.218 | $ 2,335,962.86 |
| Emergency Shelter Grants Program | 14.231 | 204,040.05 |
| HOME Investment Partnerships Program | 14.239 | 363,886.23 |
| Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded) | 14.257 | 764,459.44 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 25,000.00 |
| Highway Planning and Construction | 20.205 | 175,911.24 |
| Weatherization Assistance for Low-Income Persons | 81.042 | 1,208,568.82 |
| Low-Income Home Energy Assistance | 93.568 | 9,810.42 |
| Family Connections | N/A | 43,334.78 |
| **Total** | | $ 5,130,973.84 |

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

**The Board of Commissioners**
**Gwinnett County, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Gwinnett County, Georgia** (the "County") as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 3, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Gwinnett County Board of Health, 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, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-3, 2010-4, and 2010-5 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2010-1 and 2010-2 to be significant deficiencies.

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the County in a separate letter dated June 3, 2011.

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

This report is intended solely for the information and use of the management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 3, 2011

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**The Board of Commissioners**
**Gwinnett County, Georgia**

**Compliance**

We have audited the compliance of Gwinnett County, Georgia (the "County") with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Gwinnett County Board of Health, which received $10,578,931 in federal awards which are not included in the Schedule of Expenditures of Federal, State, and Local Awards for the year ended December 31, 2010. Our audit, described below, did not include the operations of the Gwinnett County Board of Health because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

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In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

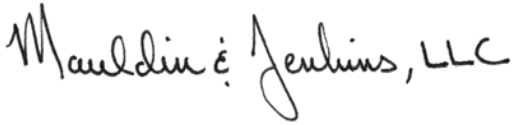
**Internal Control Over Compliance**

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Atlanta, Georgia
June 3, 2011

# GWINNETT COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED DECEMBER 31, 2010

**(1) Summary of Auditors' Results**

(a) The type of report issued on the financial statements: **unqualified opinion**

(b) Internal control over financial reporting:
Material weaknesses identified: **yes**
Significant deficiencies identified, not considered to be material weaknesses: **yes**

(c) Noncompliance material to the financial statements noted: **no**

(d) Internal control over major programs:
Material weaknesses identified: **no**
Significant deficiencies identified, not considered to be material weaknesses: **None reported**

(e) The type of report issued on compliance for major programs: **Unqualified.**

(f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **no**

(g) Major Programs:

**Weatherization Assistance for Low-Income Persons, CFDA #81.042**
**Energy Efficiency & Conservation Block Grant Program, CFDA #81.128**
**Disaster Grants- Public Assistance (Presidentially Declared Disasters), CFDA #97.036**
**Highway Planning & Construction, CFDA #20.205**
**Federal Transit Formula Grants, CFDA #20.507**
**Capitalization Grants for Clean Water State Revolving Funds, CFDA# 66.458**

(h) Dollar threshold to distinguish between Type A and Type B programs: **$1,334,008**

(i) Audit qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **no**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

**2010-1 - Segregation of Duties**

***Criteria:*** Segregation of employee's duties is a common practice in an effective internal control structure. Policies should be in place requiring the segregation of certain duties.

***Condition/Context:*** During the course of our testwork, we noted several areas in which the segregation of duties could be improved. The predominate area noted with this concern relates to the funds held by elected officials recorded in the County's Agency funds as well as the County's component units. The segregation of duties issues revolve primarily around the handling and recording of cash receipts. The same person who receives the cash also is the person recording the cash receipt within the system with no separate reconciled log of cash receipts. We also noted in several instances that the same individual who prepares checks for disbursement is the same individual who mails the checks out after signature. Additionally in certain decentralized operations, such as the Gwinnett County Development Authority, all the financial transactions may be handled by one individual and communication not be sent to the central Financial Services Department to ensure proper reporting. We noted certain of these issues in the following areas of the County: Magistrate Court, State Court, Superior Court, Probate Court, Community Services, and the Gwinnett County Development Authority.

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards (continued)***

**2010-1 - Segregation of Duties (continued)**

***Effect:*** Without some segregation of duties within these functions there is increased exposure that someone could intentionally or unintentionally misappropriate assets of the County, its Agency Funds, and component units.

***Cause*:** The limited number of employees involved in the various offices and the resulting overlapping of duties causes segregation of duties to be difficult.

***Recommendation:*** We recommend the County work to design and operate effective segregation of duties with the offices of these elected officials and component units. Having adequate segregation of duties will ensure the proper recording and recognition of accounting transactions and will lessen the potential for misappropriation of County assets.

***Response:*** The County agrees with the recommendation. The County will recommend the Courts, Community Services and the Development Authority: (a) document policies and procedures for cash management, (b) ensure appropriate segregation of duties among those individuals collecting cash and those employees who disburse cash, (c) meet with the external auditors on an annual basis to ensure that the internal controls for segregation of duties are appropriately designed and functioning, and (d) periodically do surprise counts of cash drawers for any individuals using a cash drawer to receive cash and make change.

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards (continued)***

**Finding 2010-2 - Maintenance of a Ledger of Amount Owed by Agency Funds**

***Criteria:*** Agency funds are used to account for resources held by the County, primarily the elected officials, in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained.

***Condition/Context:*** During our audit of the elected officials, we noted accounts in the Clerk of Courts and Sheriff for which no detail listing could be provided to support the balance of who the amount of funds being held was to be distributed to as of year end. We did note that in most cases the elected officials maintain records of the receipts and disbursements each month but they are not reconciling those to the month end balances. Such a detail should be readily available and reconciled throughout the year as additional support for the funds being held.

Additionally, the predominate holdings of the Juvenile Court are for a Supervision account which is not being held on behalf others, but is held at the discretion of the Court. In this instance, the funds would be more appropriately reported as a special revenue fund as they do not meet the criteria of an agency fund.

***Effect:*** If these accounts are not maintained properly, as stated above, it could lead to inaccurate financial information or possible misappropriation of funds.

***Cause*:** The bank accounts are not reconciled to subsidiary payable ledgers as of any month or year end period.

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards (continued)***

**Finding 2010-2 - Maintenance of a Ledger of Amount Owed by Agency Funds (continued)**

***Recommendation:*** We recommend the Finance Department work with the elected officials to ensure that these details are properly maintained and reconciled throughout the year.

***Response:*** The Department of Financial Services will continue to offer assistance to the elected officials. Communication, guidance, and corrective actions concerning this finding will be addressed to administering parties of each elected official's office: Clerk of Courts - Business Officer; Sheriff – Business Officer and Juvenile Court - Court Administrator. The need for reconciliations and statements of account will be stressed.

The Department of Financial Services, in conjunction with Juvenile Court, will review the nature of the transaction being accounted for to determine if the Juvenile Court cash holdings would be more appropriately reported as a special revenue fund.

**Finding 2010-3 - Recording of Utility Property Taxes Receivable**

***Criteria:*** Internal controls should be in place to ensure that the transactions relating to a fiscal year are accounted for and reported in the appropriate period in accordance with accounting principles generally accepted in the United States of America (GAAP).

***Condition/Context:*** The County bills its utility property taxes annually, typically towards the very end of the calendar year. The County's Finance Department recorded the amount for the 2010 utility property taxes in January 2011. The incorrect entry required an audit adjustment in order to properly record this balance.

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards (continued)***

**Finding 2010-3 - Recording of Utility Property Taxes Receivable (continued)**

***Cause*:** The billing occurred in December 2010 and the billing information was provided to the Finance Department in January 2011. Utility taxes receivable were mistakenly recorded in January 2011 instead of accruing back to December 31, 2010.

***Effects:*** Adjustments totaling approximately $5,500,000 in the General Fund and $467,000 in the Recreation Fund were needed to correctly report utility taxes receivable as of December 31, 2010. The receivable was offset in these governmental funds by deferred revenue so there was no impact on revenue or fund balance. In the governmental activities, these amounts were accrued as a receivable with revenue also being recognized.

***Recommendation:*** We recommend the Finance Department review all taxes receivable schedules and general ledger accounts to ensure taxes receivable are properly recorded at year end.

***Response:*** The County agrees with the recommendation and will document formal policies and procedures that include management review of all taxes receivable schedules and general ledger accounts to ensure taxes receivable are properly recorded at year end.

**Finding 2010-4 - Recording of Accounts Payable**

***Criteria:*** Procedures should be in place to ensure that all departments accumulate their accounts payable in a timely manner as part of the year end closing process.

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards (continued)***

**Finding 2010-4 - Recording of Accounts Payable (continued)**

***Condition***: During the course of our test work of liabilities, we noted several invoices were not properly recorded as accounts payable at year end.

***Context/Cause:*** The County had several liabilities which were required to be accrued after the County's normal accumulation of accounts payable was completed. These accruals were related to capital projects in the Other Capital Projects Fund and the Water and Sewerage Fund.

***Effects:*** Adjustments totaling approximately $923,000 were needed to correctly report accounts payable as of December 31, 2010. The Other Capital Projects Fund was adjusted by increasing accounts payable and expenditures by $499,000 and the Water and Sewerage Fund was adjusted by increasing accounts payable and capital assets by $424,000.

***Recommendation:*** We recommend the County's Department of Financial Services continue to work with departments to ensure that all accounts payable are accumulated in a timely manner as part of the year end closing process and that construction projects are analyzed to determine if an accrual is required.

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards (continued)***

**Finding 2010-4 - Recording of Accounts Payable (continued)**

***Response:*** The County agrees with the recommendation. The Accounting & GL and Treasury Divisions held several year-end closing meetings in November 2010. The meetings were held with County Departments and elected officials and emphasized the importance of providing expense accruals to the Accounting & GL Division on a timely basis. The County will continue to hold year-end meetings with the Departments and elected officials and will reiterate the need to include construction projects in the accrual process.

**Finding 2010-5 - Recording of Pension Pre-payments**

***Criteria***: Accounting principles generally accepted in the United States of America require that expenses are reported in the period in which the related services are received.

***Condition***: Benefit payments made in advance for amounts legally due in a subsequent month, should be reported as a prepaid asset.

***Context/Cause:*** We determined that a prepayment of $3,303,769, for the January 2011 benefit payment, was improperly included in the pension benefit expenses for the year ended December 31, 2010, and not reflected as a prepaid asset at December 31, 2010.

***Effects:*** As a result, an adjustment for $3,303,769 was necessary to reduce benefit payments and increase the Plan's assets for the prepaid amount.

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards (continued)***

**Finding 2010-5 - Recording of Pension Pre-payments (continued)**

***Recommendation:*** We recommend the Plan continue to monitor the cut-off of these payments ensuring that they are reflected in the proper accounting period.

***Response:*** The County agrees with the recommendation. Year-end disbursements will be monitored to ensure they are reflected in the proper accounting period.

**(3) Findings and Questioned Costs Relating to Federal Awards**

**None.**

# GWINNETT COUNTY, GEORGIA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
## FOR THE YEAR ENDED DECEMBER 31, 2010

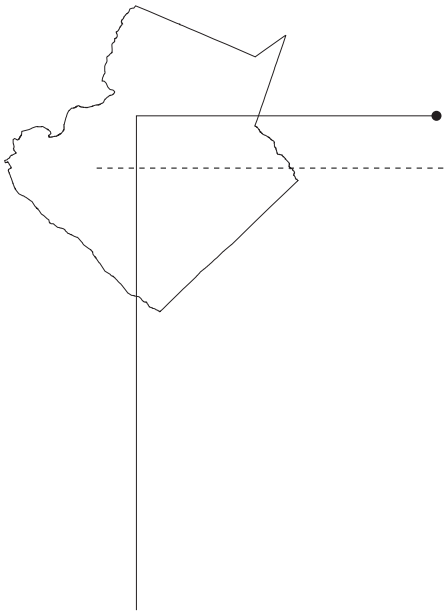
**Status of Prior Year Findings**

***Finding Reference:*** **2009-3**

***Condition***: The County did not appropriately monitor the Davis-Bacon Act requirements for two of its contractors for the year ended December 31, 2009.

***Auditee Response/Status:*** The County established and put into place a contractor checklist to ensure that all applicable Davis-Bacon requirements were being met. Finding not repeated this year.

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disclosure section

# Comprehensive Annual **Financial** Report **2010**

gwinnettcounty



## Continuing Annual and Event Disclosures

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) *Rule 15c2-12 (b) (5) (i) (A) to (D)*. Effective in 1995, the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide continuing annual information and notices of material events for disclosure to the secondary bond market.

The following table provides a summary of continuing bond disclosure requirements:

| | Annual Financial Information SEC *Rule 15c2-12 (9b) (5) (I) (A)* | Audited Annual Financial Statements SEC *Rule 15c2-12 (B) (5) (I) (B)* | Notice Of Material Events SEC *Rule (B) (5) (I) (C)* | Notice of Failure to Provide Annual Information SEC *Rule (B) (5) (I) (D)* |
|---|---|---|---|---|
| Nationally Recognized Municipal Securities Information | X | X | | |
| Municipal Securities Rulemaking Board | | | X | X |

## Agreement and Affected Bond Issue

In respective Bond Resolutions, the County and the Water and Sewerage Authority (Authority) agreed to provide continuing disclosure of (a) annual information and (b) notices of material events upon issuing its:

- Water and Sewerage Authority Revenue Bonds, Series 1998
- Water and Sewerage Authority Revenue Bonds, Series 2002
- Water and Sewerage Authority Revenue Bonds, Series 2003b
- Water and Sewerage Authority Revenue Bonds, Series 2005
- Water and Sewerage Authority Revenue Bonds, Series 2006
- Water and Sewerage Authority Revenue Bonds, Series 2008
- Water and Sewerage Authority Revenue Bonds, Series 2009a and b

# Description of the Water and Sewer System

## The Water System

The County obtains all of its water supply needs from facilities located at Lake Sidney Lanier (Lake Lanier), a 38,000-acre lake located just north of the County. Withdrawal from Lake Lanier is regulated through permits issued by the U.S. Army Corps of Engineers and the Georgia Department of Natural Resources' Environmental Protection Division (EPD). The water system consists pri-

marily of the treatment facilities at Lake Lanier, transmission mains, distribution mains, booster stations, storage, and administration and operations facilities. The Lanier Filter Plant and the majority of the water system's facilities and pipes were constructed after 1970. The Shoal Creek Filter Plant was completed in 2004 and has operated continuously since that time, with production split more or less evenly between the two facilities. A brief description of primary water system facilities is provided below.

**Water Production Facilities.** The Lake Lanier facilities include two raw water intakes with pump stations, four raw water force mains, a surge tank, a raw water distribution structure, a raw water reservoir, two water filtration plants, two finished water pump stations and a residuals handling facility. The Lanier Raw Water Pump Station, dating from 1976, is located on the shore of Lake Lanier and has access to deep water in the main body of the lake. This intake consists of three 72-inch diameter fiberglass pipes of varying lengths, arranged to withdraw water from approximately 10, 24, and 45 feet below normal surface elevation of the lake (1,071 feet above mean sea level). The Shoal Creek Intake and Pump Station utilizes a 14-foot diameter tunnel below the lake bottom to withdraw water from an elevation of 1,025 msl.

The Lanier Raw Water Pump Station has six 35 to 45 mgd pumps, allowing for a peak pumping capacity of 200 mgd and a firm capacity of 150 mgd. Two raw water force mains, 48-inch and 72-inch diameters, follow a parallel route 2.9 miles to the Lanier Filter Plant. These mains are protected using a steel hydro-pneumatic surge tank, which prevents water column separation in the event of a power failure or emergency pump shutdown. A major upgrade to the Lanier Raw Water Pump Station was completed in January 2008. The work included new pumps and motors, hydraulic system, electrical switchgear, motor starters and controls, and HVAC systems.

The Shoal Creek Raw Water Pump Station has four 35 mgd pumps dedicated to the Shoal Creek Filter Plant, and four 50 mgd pumps dedicated to the Lanier Filter Plant. This greatly improves reliability of the water system by having back-up pumping capability for both water production facilities. Two 72-inch diameter raw water mains carry water to the Shoal Creek and Lanier Filter Plants. This station went into operation in September 2004.

Construction of the Raw Water Distribution Structure was finished in 2005. This structure is the junction box for all raw water lines from both raw water pump stations. This structure allows distribution of water from either raw water pump station to either or both water treatment plants. There are also accommodations for pipelines to/from a future raw water reservoir. This allows additional flexibility to maintain operations in the event of outages at either raw water pump station.

The Lanier Filter Plant is located on a 94-acre site north of the City of Buford. The plant has a treatment capacity of 150 mgd. Facility components consist of a 37 million-gallon raw water storage reservoir; ozone disinfection facilities; pre-treatment facilities (rapid mix and flocculation); filtration; clearwells; a high service pump station; chemical storage, handling, and feed systems; and residuals handling facilities. High service pumping to the water distribution system is accomplished with seven variable speed pumps, four at 50 mgd and three at 25mgd, allowing a nominal firm capacity of 200 mgd. The plant is operated through the use of an upgraded integrated Supervisory Control and Data Acquisition (SCADA) computer system, which controls both the treatment facility and tanks/pump stations within the distribution system. In 1998, the Lanier Filter Plant was presented with the Grand Award of Excellence for innovative design by the Consulting Engineers of Georgia.

Additional improvements and enhancements to the Lanier Filter Plant were completed in 2002. The clearwell storage was increased by 20 mg. This increased finished water storage, allowing multi-day averaging to reduce maximum day demand peaking factor from 1.67 to 1.5, which extended the sufficiency of the Lanier Filter Plant capacity by two years. Also, a $20 million upgrade of the residuals handling facility was completed in August 2002. This improvement removed the previous liquid sludge contribution to the sanitary sewer system and replaced it with a dewatering system capable of producing a reusable residuals product. Work was completed in 2008 to provide an enhanced Backwash Equalization Process to improve operation of the residuals facility. The addition of two backwash equalization tanks, a filtrate equalization tank and recycle pump station enables the plant to recycle the filter backwash water. This new process allows the plant to save and recycle two million gallons per day and thereby reducing the amount of raw water withdrawn from the lake. The Georgia Engineering Alliance selected this project as its 2009 Engineering Excellence Award.

The Shoal Creek Filter Plant went into operation in September 2004. The Shoal Creek facility duplicates the processes employed at the Lanier facility, with the exception of the residuals handling process: all filter backwash water is pumped to the Lanier facility for dewatering. The Shoal Creek Filter Plant sits on an 88-acre site approximately three miles west of the Lanier Filter Plant. With its capacity of 75 mgd, the total water system capacity is now 225 mgd; having the second facility greatly improves redundancy and reliability of the overall water system.

The 1986 Amendments to the Safe Drinking Water Act (SDWA) expanded requirements for testing and monitoring for lead and copper content of drinking water (the "Lead and Copper Rule"), along with other new water quality parameters. The County conducted a corrosion optimization study that examined options available to minimize corrosion. The county has conducted full-scale system evaluations of corrosion inhibitors to select products best suited for this specific water chemistry. EPD approved the County's long-term corrosion control plan in 1995 and in 1999. Successful use of blended phosphate corrosion inhibitors has optimized the County's corrosion control program. This has reduced the Lead/Copper sampling frequency to one event every three years. The most recent sampling and testing was completed in 2008. The test results were in full compliance.

The 1996 Reauthorization of the Safe Drinking Water Act required that water systems begin publication and distribution of annual Consumer Confidence Reports (CCRs) in 1999. Our CCR, called "Gwinnett Water Words," was mailed with the April 1999, June 2000, June 2001, June 2002, May 2003, April 2004, April 2005, April 2006, April 2007, April 2008 and April 2009 water bills and it is available on the Gwinnett County website. CCRs detail all regulated contaminants, and certain unregulated contaminants, detected in drinking water. These include specific language dealing with particular contaminants (including lead), which may be found in drinking water and/or bottled waters. There has been a positive response from consumers regarding this report.

**Vulnerability Assessment.** The Public Health, Security, and Bioterrorism Preparedness and Response Act of 2002 (PL107-188) required community water systems serving more than 100,000 persons to conduct Vulnerability Assessments and prepare specific Emergency Response Plans. The Vulnerability Assessment was completed by the March 2003 deadline, and the Emergency Response Plan was finished by September 2003, as required. Specific security improvements such as closed-circuit television cameras, card-readers and automatic door locks, and fence enhancements were installed in 2004. Additional security upgrades are factored into future CIP planning.

**Transmission Mains.** The transmission system includes approximately 180 miles of transmission mains. The major transmission main looping the County was completed in 1980. Approximately 89 miles of 36- and 48-inch pipe loop around the county, making it possible to reliably serve the entire area with water even in the event of a major transmission main break. Major branches form the grid to provide water service to all populated areas within the county, and also lead to wholesale customers neighboring the county. Because of continuing growth and increasing water demands, a third 48-inch transmission main was installed along the western portion of the county to reinforce the transmission main loop. This ductile iron transmission main is 21 miles long and connects to a 30-inch transmission main in Norcross. Connections between this main and the original transmission system provide greater flexibility and reliability of the water distribution system. Additionally, a 78-inch transmission main that runs 48,000 feet from the Lanier Filter Plant was completed in 2000 and intersects the 48" loop near Lawrenceville. The Shoal Creek Filter Plant construction included a new transmission main to connect the plant to the existing Lanier Filter Plant. Work began in 2007 for construction of a 60-inch transmission line from the Shoal Creek Filter Plant to the existing 48-inch transmission mains located on Peachtree Industrial Boulevard at Little Mill Road. This transmission main was completed and went into service July 2008. This greatly reinforces the county loop system and adds reliability.

**Distribution Mains.** The distribution main system consists of approximately 3,411 miles of pipes of various sizes that draw water from the transmission main system for distribution to customers. Over 50 percent of the distribution system has been installed in the last 25 years.

**Booster Stations.** The Water System includes several booster pump stations that raise water pressure in local areas to acceptable levels. They are used to provide service to customers in hilltop areas above the system delivery gradient or where limitations in transmission and storage capacity make delivery pressures too low. Currently, the water distribution system has 13 booster stations. A major re-pump station, jointly owned by the County and the City of Norcross, provides service for the heavily populated Norcross area. Major rehabilitation of this station, including new pumps and motors, was completed in 2003. Subsequent operation and maintenance of this facility is being handled by the County. While booster stations raise water pressure above the standard system gradient, topography dictates that other areas (considerably below the system delivery gradient) are relieved of excess pressure. This is accomplished by the creation of special zones that are isolated under normal circumstances by pressure-reducing valves.

To optimize service delivery, the County has established four separate pressure zones, based on topography: South, Central, North, and Upper North. The Upper North Pressure Zone consists of the highest elevations in the county and is served by the Bogan Road Pump Station. The existing Bogan Road Pump Station was upsized in 2003 and in 2008 to better serve this growing area. The North Pressure Zone is served by three high service pumps at the Lanier Filter Plant. During 2006, these pumps were replaced with three 25 mgd pumps with an increased delivery gradient to better serve this area. The Northside (now named the Rock Quarry Road) Pump Station, with a 10 mg tank and a 20 mgd pump station, was completed in summer 2004. The Central Pressure Zone consists of customers at average elevations. Water is delivered to the central area from four high service pumps at the Lanier Filter Plant through the county's transmission mains. Since replacement of the 48-inch concrete water main, the Duluth Pump Station has basically become unnecessary, because water is now pumped from the Lanier High Service Pump Station. The Central Service Area Tank Facility and Pump Station, now called the Grayson Pump Station, was completed in November 2001 and incorporates 20 million gallons of storage and a 40 mgd pump station. Construction concluded in 2007 for a new pump station at the Rockbridge Road

tank site. The new pump station included a 5 mg tank and four 3.3 mgd pumps. This replaced the 1970s vintage pump station which served this area for 30+ years. The South Pressure Zone is a region with elevations lower than the rest of the County; water is delivered to the South area from the central area along a series of pressure-reducing valves.

**Storage Facilities.** Water system storage is either ground storage, in elevated tanks, or in standpipes located at key sites throughout the distribution system. The standpipes on I-85 and at the no longer used Duluth pump station were demolished in 2010. The Medlock Bridge elevated tank was no longer used and was also demolished in 2010. The finished water clearwells at the Lanier and Shoal Creek Filter Plants provide storage at 63 million gallons (43 at Lanier and 20 at Shoal Creek). Five and ten million-gallon ground storage tanks are located near the cities of Norcross, Buford, Grayson, Snellville, and Lilburn. The County and the City of Norcross equally share storage capacity in the Norcross tank. Completion of a new 10 mg tank in Buford and the new clearwell at the Shoal Creek Filter Plant boosts total finished water storage to 118.4 mg.

**Customers of the Water System.** As of December 31, 2010, the Water System had 227,356 retail customers. The Water System provides treated water to both retail and wholesale customers within and around the county. The Water System provides water at retail rates directly to customers residing in unincorporated areas of the county, as well as to many customers within incorporated areas. As municipalities within the county annex contiguous areas, water and sewer service remains with Gwinnett County and the residents of the contiguous areas continue to purchase water at retail rates. Gwinnett County provides direct retail service to the residents of Berkeley Lake, Dacula, Duluth, Grayson, Lilburn, Snellville, and Sugar Hill. The Water System also provides direct retail service to some of the residents of the cities of Buford, Lawrenceville, Loganville, Norcross and Suwanee. It serves some of the residents of Buford, Lawrenceville, Norcross and Suwanee on a wholesale basis. The City of Lawrenceville supplements its water system with wells. The City of Buford has its own intake in Lake Lanier and its own water treatment plant. The Gwinnett County Water System also sells water on a wholesale basis to the City of Auburn in Barrow County, the Town of Braselton in Barrow County, the City of Loganville in both Gwinnett and Walton Counties, and the Walton County Water and Sewer Authority. The County purchased the City of Duluth water system in December 1991, the City of Grayson water system in May 1993, the City of Sugar Hill water and sewer system in December 1995, and the City of Dacula water system in May 1996.

## Water Consumption 2001 – 2010

The following table shows the average daily consumption, in mgd, of water billed by the Water System during the years 2001 through 2010:

| | Gwinnett County Consumption | | Out-of-County Consumption | Total Average Daily |
|---|---|---|---|---|
| Year | Retail | Wholesale | Wholesale | Consumption |
| 2001 | 61.38 | 3.53 | 8.23 | 73.11 |
| 2002 | 61.95 | 3.55 | 5.91 | 71.41 |
| 2003 | 58.68 | 2.88 | 1.16 | 62.72 |
| 2004 | 58.23 | 3.01 | 0.99 | 62.23 |
| 2005 | 63.01 | 2.83 | 1.06 | 66.90 |
| 2006 | 73.13 | 2.62 | 1.32 | 77.07 |
| 2007 | 76.26 | 2.95 | 1.46 | 80.67 |
| 2008 | 62.38 | 2.72 | 0.94 | 66.04 |
| 2009 | 60.95 | 2.77 | 0.30 | 64.02 |
| 2010 | 63.39 | 2.77 | 0.08 | 66.24 |

Non-revenue water that is due to water system losses, fire flows, meter underreporting, and other causes was approximately 14 percent between 1997 and 2001 increasing to 17 percent in the ensuing four years, possibly due to data errors. By the end of 2005 non-revenue water was on a downward trend and at the end of 2008, was tracking at around 11 percent, which was below the industry standard of 12 percent. From January to July 2009, the percentage increased to an average of just below 12 percent. From August to December 2009, the rate of average increased to 13 percent. For 2010, non-revenue water decreased and is currently approximately 11 percent. Water resources has established a task force to work toward decreasing the monthly percentage of non-revenue water by focusing on all areas of possible water loss and finding methods to track and account for water not currently metered. These efforts include a) tracking water use through hydrants by County departments, contractors and for County projects and b) testing and replacing large water meters.

The following tables show the 10 largest retail and wholesale customers of the Water System during the 12 months ended December 31, 2010. Total water usage during the 12 months ending December 31, 2010 was 25,213,313.9/thousands of gallons, generating $92,093,237.81 in usage revenues (excluding late fees). No single retail customer accounted for more than 1.39 percent of total Water System usage revenues in 2010, and the 10 largest retail customers together accounted for 4.62 percent of such revenues. No single wholesale customer accounted for more than 3.24 percent of total Water System usage revenues in 2010, and the 7 wholesale customers together accounted for 4.57 percent of such revenues. In addition to regular water revenues, we generated $13,096,247.73 in conservation tier charge revenue from water customers who exceeded consumption of 8,000 gallons in any given month.

## Water Use: 10 Largest Retail Water Customers – 2010

| Customer | Thousands of Gallons-Per-Year | mgd | Total Revenues Received |
|---|---|---|---|
| Gwinnett County Government | 267,753.8 | 0.73 | $1,280,464.65 |
| Gwinnett County Board of Education | 255,097.6 | 0.70 | $1,090,202.06 |
| Publix | 138,030.0 | 0.38 | $565,859.53 |
| Phillips State Prison | 57,591.6 | 0.16 | $236,107.37 |
| OFS Brightwave | 52,576.1 | 0.14 | $215,937.01 |
| Quality Technology Services | 50,101.5 | 0.14 | $205,629.23 |
| Suniva Inc | 43,222.5 | 0.12 | $177,467.05 |
| Management Assoc | 41,701.5 | 0.11 | $170,979.49 |
| MTS Sweetwater | 38,073.4 | 0.10 | $156,126.99 |
| Pine Crest Gardens | 36,945.5 | 0.10 | $151,615.25 |
| TOTAL | 981,093.5 | 2.68 | $4,250,388.63 |

## Water Use: Wholesale Water Customers – 2010

| Customer | Thousands of Gallons-Per-Year | mgd | Total Revenues Received |
|---|---|---|---|
| City of Lawrenceville | 708,415.50 | 1.94 | $2,986,588.92 |
| City of Norcross | 287,536.70 | 0.79 | $1,038,139.17 |
| Town of Braselton | 18,539.40 | 0.05 | $79,029.42 |
| City of Buford | 10,942.40 | 0.03 | $46,592.23 |
| City of Loganville | 10,039.50 | 0.03 | $42,860.93 |
| City of Suwanee | 2,538.00 | 0.01 | $10,835.30 |
| Walton County Water | 647.40 | 0.00 | $2,760.78 |
| TOTAL | 1,038,658.90 | 2.85 | $4,206,806.75 |

*Note: Auburn's wholesale agreement expired in 2009 and they significantly reduced the amount of water being purchased in 2009 and then reduced the amount altogether in 2010.*

## Retail Monthly Meter Charges

**Current Water Rates.** Presented below are the major rate categories currently in effect. The Gwinnett County Board of Commissioners adopted the following rates at their regular meeting of March 3, 2009. The Board of Commissioners has subsequently adopted rate increases effective each January 1st, beginning 2010 going through 2015. (see schedules that follow). Water rates are fixed by the County and are subject to change, as the County deems advisable. Rates set by the County are not subject to approval by any outside agency.

| Meter Size | Base Water Fee (effective July 1, 2009) |
|---|---|
| ¾" | $7.50 |
| 1" | $16.50 |
| 1½" | $27.00 |
| 2" | $52.50 |
| 3" | $144.00 |
| 4" | $210.00 |
| 6" | $400.00 |
| 8" | $750.00 |

## Retail Monthly Water Charges

**Volume Charge.** Except for the seasonal residential water surcharge and seasonal irrigation water charge as described below, all accounts shall be charged the following volume charge for water that passes through the water meter:

| Current 2010 | Effective January 1, 2011 | Effective January 1, 2012 |
|---|---|---|
| Tier 1: $4.11/1,000 gal | Tier 1: $4.38/1,000 gal | Tier 1: $4.53/1,000 gal |
| Tier 2: $6.165/1,000 gal | Tier 2: $6.57/1,000 gal | Tier 2: $6.79/1,000 gal |
| Tier 3: $8.22/1,000 gal | Tier 3: $8.76/1,000 gal | Tier 3: $9.06/1,000 gal |

*Note: Effective January 1, 2010, water charges are based on a 3-tier system to promote conservation. Tier 1 rates are applied to consumption <8,000 gallons, Tier 2 rates are applied to consumption 8,000-12,000 gallons, and Tier 3 rates are applied to consumption >12,000 gallons.*

Effective June 1, 2009, all irrigation and builder accounts are billed at 2.0 times the tier-one volumetric rate for all water passing through the water meter per billing period as follows:

| Current 2010 | Effective January 1, 2011 | Effective January 1, 2012 |
|---|---|---|
| $8.22/1,000 gallons | $8.76/1,000 gallons | $9.06/1,000 gallons |

## Fire Protection

Effective September 1, 2009, the fee for fire protection taps is $2.00 per inch of fire service pipe diameter. Also effective September 1, 2009, water which passes through the fire protection meter for purposes other than fire suppression is billed for water and sewer; the water volumetric rate applicable to non-fire-related water usage shall be 3.0 times the tier-one rate. Each private line is equipped with an approved detector meter at the customer's expense.

## Connection Charge

Charges for connecting new services to the Water System (effective since January 1, 2010):

| Meter Size | Charge per Connection |
|---|---|
| ¾" | $395 |
| 1" | 522 |
| 1 ½" | 1,041 |
| 2" | 1,248 |
| 3" | 1,458 |
| 4" | 2,079 |
| 6" | 3,890 |
| 8" | 8,115 |
| 10" | 9,630 |
| 12" | 12,305 |

## Water System Development Charges

| Water Meter Size | January 1, 2006 | January 1, 2007 | January 1, 2008 | January 1, 2009 | January 1, 2010 |
|---|---|---|---|---|---|
| ¾" | $ 1,292 | $ 1,418 | $ 1,418 | $ 1,418 | $ 1,128 |
| 1" | 4,079 | 4,807 | 4,807 | 4,807 | 3,610 |
| 1.5" | 9,641 | 11,573 | 11,573 | 11,573 | 8,573 |
| 2" | 16,580 | 20,063 | 20,063 | 20,063 | 15,679 |
| 3" | 35,338 | 43,179 | 43,179 | 43,179 | 39,142 |
| 4" | 45,984 | 45,910 | 45,910 | 54,910 | 62,830 |
| 6" | 138,125 | 172,561 | 172,561 | 172,561 | 125,434 |
| 8" | 207,558 | 257,506 | 257,506 | 257,506 | 200,671 |
| 10" | Varies* | | | | |
| 12" | Varies* | | | | |

*Determined by the Department of Water Resources

**Raw Water Supply.** On July 2, 1973, the County entered into the "Contract between the United States of America and Gwinnett County, Georgia, for Withdrawal of Water from Lake Sidney Lanier," and has since entered into several extensions and modifications to that agreement (collectively known as the "Contract"). The Contract granted the County the right to withdraw raw water from Lake Lanier for municipal and industrial uses at a rate of 53 mgd. The Contract permitted the County to construct and operate facilities to withdraw water and requires the County to maintain certain records.

The Contract originally provided that either party could terminate it upon providing three years notice. Unless otherwise terminated, the Contract would continue for 30 years or until the Federal government completed its study of area water storage, discharge, and withdrawal needs. In June 1985, the U.S. Corps of Engineers, Army Engineers District-Mobile (the Corps of Engineers) gave the County notice that the Contract would be terminated on July 1, 1989. In June 1989, the Contract was extended for six months, until January 1, 1990. That historical contract is no longer in effect; however, the County has continued to withdraw water from Lake Lanier, which provides all of the County's raw water.

From 1990 to 2000, the County paid $9.74 per million gallons for water withdrawn. In April 2000, the U.S. Army Corps of Engineers increased this amount to $18.80 per million gallons. In December 2000, customers of the Southeastern Power Administration, which receive the benefits of hydropower production from Corps of Engineers projects in the ACT and ACF basins, filed a lawsuit seeking an increase in the price charged to municipalities drawing domestic water supplies from Lake Lanier. Gwinnett County, with the Atlanta Regional Commission and others, joined in the mediation of this lawsuit. The settlement of this litigation, signed by the United States, the State of Georgia, and hydropower customers as well as the municipal water purveyors, would have restored the contractual relationship between Gwinnett County and the United States Corps of Engineers pending National Environmental Policy Act procedures. The new contracts would reserve unto Gwinnett County a portion of the conservation pool of Lake Lanier sufficient to yield an annual average supply of up to 152 mgd even during a severe drought. The annual cost of raw water would increase from approximately $700,000 per year on an escalating and interminable schedule to approximately $1,780,000 per year on a 30-year amortization schedule, after which payments for that volume of water cease. These increased payments would be retroactive to 2003, the date the settlement agreement was approved by the D.C. District Court. The interim water storage contract appended to the mediation agreement and which is convertible to a permanent storage contract has a 10-year term with an automatic 10-year renewal provision. This conversion to a permanent storage contract is contingent upon clarification of the legal authority granted to the U.S. Army Corps of Engineers by the Congress to enter into permanent contracts. This settlement agreement was appealed by Florida and Alabama to the Washington D.C. Circuit Court of Appeals. A three-judge panel of the D.C. Circuit Court determined on February 5, 2008 that the hydropower compensation settlement agreement exceeded the Corps of Engineer's authority, thus overturning the decision by the D.C. District Court. As a consequence, Gwinnett County is relieved of the accumulated contingent liability of the difference in a) payments for actual raw water amounts used at $18.80 per million gallons and b) the $1,780,000 annual payment for storage since 2003. However, it is expected that when some agreement is reached with Alabama and Florida, the Corps of Engineers will have authority to contract with the county and will need to be compensated for the use of the storage in Lake Lanier to offset the use of the water to generate power.

The Water System is required to have a permit from EPD to withdraw water from Lake Lanier. In 1997, the County received a revised withdrawal permit for 150 mgd during a maximum day. This rate of withdrawal coincided with the capacity of the expanded plant on which construction was completed in December 1997. The withdrawal permit was amended in 1999 to change the 150-mgd limit from "maximum day" to "average day for any month." This permit modification allowed the County to proceed with the new Shoal Creek Filter Plant construction to increase the water production capacity from 150 mgd to 225 mgd. Major construction of this plant was finished in 2004. The current withdrawal permit is sufficient to meet near-term demand projections. For example, the maximum monthly withdrawal rate was 99 mgd, 103 mgd, 90 mgd, 98 mgd, 112 mgd, 118 mgd, 110 mgd, 81 mgd and 87 mgd for the years 2001-2009, respectively. The County will continue to pursue increased withdrawals from Lake Lanier as demand increases.

On June 28, 1990, the State of Alabama filed a lawsuit in the United States District Court for the Northern District of Alabama against the Corps of Engineers, State of Alabama v. the United States Army Corps of Engineers, et al. In the lawsuit, the State of Alabama alleges that, among other things, the Corps of Engineers violated the National Environmental Policy Act in connection with the proposed reallocation of a portion of Lake Lanier's conservation storage to municipal and industrial water supply. The State of Florida joined the lawsuit, and on September 19, 1990, at the request of the State of Alabama and the Corps of Engineers, the District Court entered an order staying the proceedings so that the negotiations among the States may occur and a comprehensive

study of the water resources of the Alabama-Coosa-Tallapoosa and the Apalachicola-Chattahoochee-Flint River basins could be performed. This study is known as the "ACT/ACF Basins Comprehensive Water Resources Study." The Corps of Engineers, along with the States of Georgia, Alabama, and Florida performed the study. The three states approved Basin Compacts in early 1997, essentially completing the Comprehensive Study. These Compacts were ratified by the U.S. Congress and signed by the President of the United States in December 1997. The three states and the federal government were in the process of developing a management system for water resources in the ACT/ACF basins and a formula for the allocation of ACT/ACF water and storage, as mandated by the Compacts. However, the ACF compact, and interstate water allocation discussions between Georgia, Alabama, and Florida on the ACF basis, ended on September 1, 2003.

Several ACF cases were consolidated in March, 2007 by order of the Judicial Panel on Multidistrict Litigation. The multidistrict litigation combines the following cases with the 1990 litigation on the ACF referenced above: Georgia's 2001 lawsuit against the U.S. Army Corps of Engineers challenging the Corps' denial of a request to reallocate storage in Lake Lanier for long-term water supply; Georgia's 2006 litigation against the U.S. Army Corps of Engineers challenging the Corps' interim operating plan for the ACF system; and Florida's 2006 filing against the U.S. Fish and Wildlife Service challenging the biological opinion for the interim operating plan. Gwinnett County is an intervener in these cases, aligned with the State of Georgia. The consolidated case is proceeding in the Middle District of Florida presided over by a judge assigned from Minnesota.

On July 17, 2009, the District Court Judge ruled that drinking water supply is not a Congressionally-authorized use of the storage in Lake Lanier. The County's withdrawals from Lake Lanier are therefore considered unauthorized by this District Court. The Judge gave the parties three years to obtain Congressional approval of the reallocation of the use of Lake Lanier and allowed the current water withdrawals to continue during this period.

The Governor of Georgia is working to resolve this issue and is taking the following steps:

- Participating in negotiations with Alabama and Florida
- Seeking Congressional authorization
- Contingency planning for alternate water sources; and
- Appealing Judge Magnuson's decision

An additional issue facing the Water System is the long-term supply if the sustainable yield of the Chattahoochee basin is reached. The County may have to consider alternative means of meeting projected future demand. The costs of implementing alternative means to meet this demand cannot be determined at this time. However, return flows of high quality reclaimed water to Lake Lanier are expected to be advantageous to the County's future allocation.

## The Sewerage System

The sewage treatment facilities of the System (the "Sewerage System") comprise five Water Reclamation Facilities ("WRFs") that are wholly owned by the Water and Sewerage Authority and contractual treatment capacity in one other WRF. The minor treatment facilities at Beaver Ruin and Jacks Creek were taken out of service in 2009 and 2010 respectively. Total permitted treatment capacity currently available to Gwinnett County is 102.62 mgd.

All of the sewerage system's WRF's provide advanced treatment under some of the most stringent environmental requirements in the state of Georgia.

A Water Resources Laboratory providing chemical and microbiological analyses ensures the WRFs provide consistent reporting and monitoring to the regulators. Additional Laboratory services include monitoring and enforcement of industrial pretreatment requirements, and ambient water quality monitoring of the streams and rivers within the County, as needed. Separate process control laboratories are also maintained at each WRF to monitor plant performance and provide data for process control decisions.

**Water Reclamation Facilities.** The Sewerage System's major treatment facilities are the F. Wayne Hill Water Resources Center (WRC), the Yellow River WRF, the Crooked Creek WRF, and the Jackson Creek WRF. The Sewerage System has purchased treatment capacity in DeKalb County's Pole Bridge Water Pollution Control Facility (WPCF). The following table shows the permitted capacity in mgd of each treatment facility and the approximate usage for each during 2010.

### Sewerage System Capacity and Usage in 2010

*(All flows are in millions of gallons per day, mgd)*

| Wastewater Treatment Facility | Permit | ADMMF | AADF |
|---|---|---|---|
| F. Wayne Hill WRC | 60.0 | 39.14 | 32.68 |
| Crooked Creek WRF | 16.0 | 14.75 | 9.56 |
| Yellow River WRF | 13.5[2] | 7.19 | 5.67 |
| Pole Bridge WPCF [1] | 5.0 | 3.02 | 2.00 |
| Jackson Creek WRF | 3.0[3] | 2.99 | 2.93 |
| **TOTAL System**[4] | **97.5** | **67.09** | **52.84** |

*(1) Plant capacity at Pole Bridge is used through an agreement with DeKalb County.*

*(2) Yellow River WRF currently being expanded, permit capacity will be 22 MGD when complete in 2011. This includes the permit capacity from Beaver Ruin WRF (4.5 MGD) and Jacks Creek WRF (1 MGD) which are decommissioned facilities.*

*(3) Jackson Creek WRF will be decommissioned in 2011 when Yellow River WRF upgrades are complete, permit capacity of 3 MGD will transfer to Yellow River and will be included in the 22 MGD permit for Yellow River WRF*

*(4) This total is the Average Daily Flow for the system's Maximum Month and is not the sum of the ADMMF's for the individual locations which may occur in different months.*

The County reports the number of National Pollutant Discharge Elimination System (NPDES) permit violations experienced by the County's WRFs were zero, zero, one, zero, two, zero, zero, ten, and four for the years 2002 through 2010 respectively. Nine of the violations in 2009 were related to flows when flooding in the County was declared a natural disaster by FEMA. Additionally, Gwinnett County WRFs have won a total of 102 awards from the National Association of Clean Water Agencies and the Georgia Association of Water Professionals in the years 2001 through 2007, including Platinum for five WRFs for five consecutive years with no permit violations. In 2001 and 2002, the Jackson Creek WRF and in 2006 and 2008 the F. Wayne Hill Water Resources Center (FWH WRC) were selected as ***Plant of the Year*** in its size category by the Georgia Association of Water Professionals. In 2008 the F. Wayne Hill Water Resources Center received the ***National Clean Water Act Recognition Award***, and the ***Region IV National Clean Water Act Recognition Award*** from EPA.

As part of a 50-Year Water and Wastewater Master Plan, the FWH WRC started operation in early 2001. In late 2005, construction was completed on an additional 40 mgd of treatment capacity at the FWH WRC. The additional capacity brings the total water reclamation capacity of the F. Wayne Hill WRC to 60 mgd. The facility is part of a comprehensive plan to protect and conserve the County's limited water supply. The FWH WRC meets the strictest overall treatment requirements in the Southeast, producing high quality reclaimed water that is clean enough to discharge to a drinking water supply source. The FWH WRC is permitted to discharge up to 40 mgd into Lake Sidney Lanier and 20 mgd to the Chattahoochee River. The FWH WRC has begun discharging to Lake Lanier after the completion of the pipeline to the Lake in 2010. At this time the permit for the FWH WRC was increased from 29 to 60 mgd.

In early 2007 construction began at the Yellow River WRF in order to consolidate wastewater flows from several smaller aging wastewater treatment facilities in the Yellow River Basin and treat that flow at one facility capable of producing an effluent that meets current Environmental Protection Division standards. The County chose to consolidate operations in the Yellow River basin to the single Yellow River site rather than upgrade and rehabilitate each of the smaller individual sites as a way to reduce the overall cost to our ratepayers and stakeholders. The result of consolidating operations into a single site will result in reduced capital costs for construction as well as long-term operating costs. This savings is achieved through an economics of scale that is achieved by building and operating a single large facility. When the construction at the Yellow River WRF is completed, the permitted capacity will increase from 13.5 to 22.0 mgd.

The Crooked Creek WRF Improvement project started in 2009 to provide sufficient and reliable treatment capacity. Tasks to be completed include: a new influent pump station with in-line grinders; a new Headworks with band screens and vortex grit removal; a new ultraviolet disinfection building; improvements to hydraulics of the oxidation basins; new solids thickening/storage tanks; and a new solids handling building. The project is scheduled for completion in 2013.

**Collection System.** Gwinnett County has approximately 2,670 miles of sewers ranging in size from eight inches to 72 inches in diameter, and approximately 226 active pump stations and nine under construction. These gravity sewers and pump stations collect and transmit the wastewater flow from the water customers who are served by the sewer system to the WRFs. Sewer service is provided in the central, western, and north central portions of the county. The Lower Apalachee and Lower Alcovy basins are only minimally served by sewers presently. The current Water and Wastewater Master Plan Update outlines future areas to be served

by the sewer system and projects a timeline for this service. The County experienced several sanitary sewer overflows, mainly due to root intrusion and grease accumulation in the sewer system. The reportable overflows for 2007 – 2010 were 43, 33,32, and 35. The County has a program to address these issues.

The County recently completed the East Side Wastewater Conveyance System, designed to convey flows from numerous sub-basins on the southeastern side of the County nearly eighteen miles to the F. Wayne Hill WRC. Flows that originate in the southernmost sub-basins of that system are collected at the Lower Big Haynes Pump Station (15 MGD Phase I) and pumped through a 36 inch force main to the Brooks Road Booster Pump Station. At that point, flows from the Brooks Road Pump Station are added, and all flow is then pumped northward to the Alcovy Booster Pump Station. At that point, flows from the Alcovy Pump Station are added, and all flow is then pumped directly to the F. Wayne Hill WRC.

Interbasin connection by pumped flows allows management to direct flow to the treatment facility that is best able to handle the flows. In basins where treatment facilities are located down gradient of other treatment facilities, the up-gradient facilities have diversion gravity lines that allow flows to be diverted for downstream treatment when needed. All pump stations have remote telemetry capability, which reports power outages, high water level alarms, and other problems to a central control center that is manned continuously. Critical pump stations that could overflow into waters with the potential for human contact have backup telemetry as well. The telemetry system is monitored by a computer that periodically queries the current status of the stations and verifies the pump stations' ability to call in alarms.

All pump stations are visited and checked by maintenance personnel, and preventive maintenance is performed on a scheduled frequency. Alarms are investigated and needed repairs are promptly accomplished. Right-of-ways and easements are maintained for access to all sewer system gravity lines and pump stations. Large pump stations have dual electrical feed or standby generators for emergency use. The County owns portable generators that can be transported to small pump stations in power outage situations.

A state-approved pretreatment program is in place. This program protects the treatment facilities from discharges to the sewers of materials that could upset or harm the biological treatment processes at the treatment plants. In addition, this program protects the sewer collection system from discharges of materials that could damage the gravity lines and/or the pump stations.

## Reserve Capacity Status Report

**Reserve Capacity.** In the late 1970s and early 1980s the County entered into reserve capacity agreements with certain large landholders as a means of generating capital to construct WRFs. The facilities were constructed as promised by the County, and the reserve capacity made available for the holders of these liens on future capacity. The reserve capacity was specific to parcels of land, and as this land was subdivided and sold, so too were the sewerage rights associated with it. The County administrative staff carefully monitors the assignments of these rights. Meanwhile, the Sewerage System derives over $7,000.00 per year in revenues from the unexercised options. The following table shows the approximate remaining open commitments of these agreements as of December 31, 2010.

| Assignee | mgd |
|---|---|
| Kraft Corporation | 0.022 |
| Williams Brothers Concrete | 0.011 |
| Kuniansky Max | 0.007 |
| Sams, Mr. Kenneth | 0.006 |
| Waffle House | 0.005 |
| Rick Case | 0.002 |
| Burkett Oil Company, Incorporated | 0.002 |
| K C Coatings, Incorporated | 0.001 |
| Autozone | 0.001 |
| Wachovia Bank | 0.001 |
| TOTAL | 0.058 |

*Source: Gwinnett County Department of Water Resources*

Customers of the Sewerage System. As of December 31, 2010, the Sewerage System had 147,637 retail customers. The City of Norcross uses the Sewerage System facilities on a wholesale basis. Norcross made capital contributions to the Sewerage System to aid in construction and in order to assure itself of adequate future treatment capacity. Norcross maintains its own sewer lines within its corporate limits. A similar contract with DeKalb County allows DeKalb to share proportionately in the operational cost of the Jackson Creek WRF up to the 1.12 mgd capacity reserved for DeKalb. Residents of Lilburn, Snellville, Berkeley Lake, Grayson, Duluth, Dacula, Suwanee, and Sugar Hill who are connected to the Sewerage System receive their service directly from the County. A portion of the residents of Buford is served by Buford's wastewater treatment system, while others are served by the County.

The following table shows the 10 largest retail users of the Sewerage System during 2010. Total sewer usage during 2010 was 15,826,529.3/thousands of gallons, generating $89,064,395.75 in usage revenues (excluding late fees). No single retail user accounted for more than 1.25 percent of total Sewerage System revenues in 2010, and the 10 largest users together accounted for 4.56 percent of such revenues. In addition to retail customers, the County also provided service to two municipal customers on a wholesale basis: DeKalb County and the City of Norcross. DeKalb County produced 0.38 mgd of wastewater in 2010 and was billed $333,366.86. The City of Norcross produced 0.76 mgd of wastewater in 2010 and was billed $2,550,820.04*. These two wholesale customers accounted for 3.24 percent of the total Sewerage System revenues**.

* *Of the total amount billed to Norcross, $2,140,771.49 was billed for their share of the 2009 Capital Projects. This bill is still outstanding as of the CAFR publishing date. Total outstanding of their share of the 2008 and 2009 Capital Projects is $4,152,119.76.*

** *The 2010 capital project bills for Norcross and Dekalb will not be completed until the 1st quarter of 2011.*

## 10 Largest Retail Sewerage Users – 2010

| Customer | Thousands of Gallons-Per-Year | mgd | Total Revenues Received |
|---|---|---|---|
| Gwinnett County Board of Education | 206,974.6 | 0.57 | $1,113,029.30 |
| Gwinnett County Gov | 156,015.0 | 0.43 | $866,528.81 |
| Publix | 95,288.6 | 0.26 | $512,652.56 |
| Phillips State Prison | 57,591.6 | 0.16 | $331,514.46 |
| Suniva | 43,222.5 | 0.12 | $232,203.48 |
| Management Assoc | 41,701.5 | 0.11 | $223,576.32 |
| MTS Sweetwater | 38,073.4 | 0.10 | $204,168.10 |
| Tree Summit/Pinecrest Gardens | 36,945.5 | 0.10 | $198,332.98 |
| Cottonwood Bristol PT | 36,787.8 | 0.10 | $197,626.50 |
| Magnolia Pointe Apartments | 34,634.8 | 0.09 | $185,592.16 |
| TOTAL | 747,235.3 | 2.04 | $4,065,224.67 |

**Current Sewerage Rates.** The schedule presented below shows sanitary sewer rates. The Board of Commissioners adopted these rates at their meeting on March 3, 2009. The rates are subject to change by the County, as it deems advisable. Rates set by the County are not subject to the approval of any outside agency.

## Volume Sewer Charge

The following volumetric sewer charge shall apply to all water consumed.

| Effective January 1, 2010 | Effective January 1, 2011 | Effective January 1, 2012 |
|---|---|---|
| $5.38/1,000 gallons | $5.89/1,000 gallons | $6.47/1,000 gallons |

*Note: In addition to the water base charge, all retail sewer accounts pay a base sewer fee of $5.00 per billing period, effective July 1, 2009, with the exception of multi-family housing on a master meter. The base charge is separate from the volume charge for either water or sewer usage. Where one meter serves more than one unit, the monthly meter charge is$10.00 per unit per billing period effective, July 1, 2009. Base rates are effective until modified by the Board of Commissioners.*

## Industrial Surcharge

As computed for specific conditions of discharge.

### Sewer System Development Charge

| Water Meter Size | January 1, 2006 | January 1, 2007 | January 1, 2008 | January 1, 2009 | January 1, 2010 |
|---|---|---|---|---|---|
| ¾" | $2,352 | $ 2,569 | $ 2,569 | $ 2,569 | $ 4,147 |
| 1" | 7,884 | 8,709 | 8,709 | 8,709 | 13,270 |
| 1.5" | 19,025 | 20,967 | 20,967 | 20,967 | 31,517 |
| 2" | 32,853 | 36,349 | 36,349 | 36,349 | 57,643 |
| 3" | 73,064 | 78,227 | 78,227 | 78,227 | 143,901 |
| 4" | 93,725 | 99,481 | 99,481 | 99,481 | 230,988 |
| 6" | 285,017 | 312,630 | 312,630 | 312,630 | 461,146 |
| 8" | 427,049 | 427,049 | 427,049 | 466,525 | 737,751 |
| 10"* | | | | | |
| 12"* | | | | | |

**System development charges for meters larger than 8" will be determined by the Department of Water Resources to reflect anticipated average daily wastewater flows; insufficient data are available to develop equivalent flow factor for these large meters.*

## Annual Financial Information

SEC *Rule 15c2-12(b)(5)(i)(A)* requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statement for each Bond Issue. The following table provides a summary of combined operating results:

## Gwinnett County Water and Sewerage System and Authority Summary of Combined Operating Results (in thousands of dollars)

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|
| **Operating Revenues:** | | | | | |
| Residential and commercial service | $232,764 | $201,134 | $183,110 | $191,790 | $178,179 |
| Wholesale service | 7,091 | 6,895 | 5,789 | 9,135 | 4,446 |
| Public fire protection charges to other funds | 648 | 517 | 464 | 442 | 391 |
| Connection charges | 463 | 259 | 596 | 1,593 | 2,489 |
| Intergovernmental | 6,617 | - | - | - | - |
| Miscellaneous | 6,348 | 4,679 | 4,327 | 3,490 | 7,319 |
| Total operating revenues | 253,931 | 213,484 | 194,286 | 206,450 | 192,824 |
| **Operating Expenses:** | | | | | |
| Water production | 15,161 | 16,652 | 15,806 | 14,082 | 14,290 |
| Distribution and collection | 26,868 | 25,398 | 26,036 | 25,990 | 24,389 |
| Engineering | 4,587 | 5,881 | 6,100 | 6,430 | 7,504 |
| Reclamation | 27,928 | 26,372 | 27,963 | 26,988 | 26,189 |
| Depreciation and amortization | 68,424 | 65,449 | 69,126 | 63,123 | 64,304 |
| General and administrative | 28,916 | 22,717 | 22,358 | 21,323 | 12,941 |
| Total operating expenses | 171,884 | 162,469 | 167,389 | 157,936 | 149,617 |
| Operating income | 82,047 | 51,015 | 26,897 | 48,514 | 43,207 |
| **Non-operating Revenues (Expenses):** | | | | | |
| Interest Income | 402 | 191 | 2,006 | 5,455 | 10,189 |
| Change in fair value of investments | - | (64) | 48 | 703 | 1,926 |
| Interest expense | (36,407) | (31,281) | (33,269) | (33,986) | (24,800) |
| Loss on sale of fixed assets | (1,804) | (6,041) | (4,159) | (6,500) | (1,060) |
| Income before operating transfers & contributions | 44,238 | 13,820 | (8,477) | 14,186 | 29,462 |
| Capital contributions | 10,745 | 16,702 | 59,128 | 89,210 | 93,105 |
| Transfers in | 74 | - | - | 881 | 318 |
| Transfers out | (90) | - | - | (10) | (88) |
| Increase in net assets | 54,967 | 30,522 | 50,651 | 104,267 | 122,797 |
| Net assets, January 1 | 2,200,970 | 2,170,448 | 2,119,797 | 2,015,530 | 1,892,733 |
| Net assets, December 31 | $2,255,937 | $2,200,970 | $2,170,448 | $2,119,797 | $2,015,530 |

## Security for the Bonds

### General

The Series 1997, 1998, 2002, 2003b, 2005, 2006, 2008, 2009a and 2009b Bonds are limited, special obligations of the Authority. The County and the Authority have entered into a Lease Agreement (the "Lease") dated November 1, 1985, and subsequently amended by the Amended and Restated Lease Contract in 1997 and supplemented by the Supplement Lease Contract (the "Supplemental Lease") dated as of October 1, 2004 by which the Authority leased to the County all of its water and sewer facilities (collectively referred to as the "System"). Facilities acquired after November 1, 1985, are part of the System. The Lease is in effect until all revenue bonds are paid in full, but no later than October 1, 2054. The County manages and operates the System under the terms of the Lease as well as pledges the County's full faith and credit and taxing power as security for the revenue bonds issued by the Authority.

All bonds issued after execution of the Supplemental Lease are expressly junior and subordinates to the pledge of the net revenues with respect to bonds issued prior to that date. Lease Payments equal to the debt service of all First and Second Lien Bonds are to be paid directly by the County, on behalf of the Authority, into the Sinking Fund. The revenues of the Authority representing the Lease Payments from the County as provided in the Lease have been pledged to the payment of the principal and interest on the Series 1994, 1997, 1998, 2002, 2003, 2005, 2006, 2008, and 2009 Bonds and any Additional Bonds or Obligations issued therewith. A portion of the 2002 Bonds were legally defeased with the proceeds of the 2006 Bonds.

The Water and Sewer Authority issued $121,375,000 in refunding bonds ("2006 Refunding Bonds") on March 9, 2006. The 2006 Refunding Bonds were issued to 1) refund the 2002 Bonds in part and 2) pay costs related to the issuance of the Bonds. The 2006 Refunding Bonds were issued at a True Interest Cost of 4.3846 percent and resulted in net present value savings of $4.9 million or 4.176 percent of the refunded par amount.

Additionally, the Water and Sewer Authority issued $235,575,000 in revenue bonds (2009A Revenue Bonds) and $23,955,000 in economic Development Recovery Zone Bonds (2009B Recovery Zone Bonds) on October 22, 2009. The 2009 Bonds were issued to 1) finance, in whole or in part, the costs of certain improvements and extensions to the water and sewerage system owned by the Authority, 2) refund all of the Series 2004 Bonds, and 3) pay the costs of issuing the Series 2009 Bonds. The 2009A Revenue Bonds were issued at a True Interest Cost of 3.3471 percent and the 2009B Recovery Zone Bonds were issued at a True Interest Cost of 3.0228 percent.

## Revenue Fund and Lease Payments

All revenue derived from ownership and operation of the System or from properties in connection therewith shall be collected by the County and deposited promptly into the Revenue Fund created pursuant to the Lease. The County shall first pay from the Revenue Fund the reasonable and necessary costs of operating and maintaining the System in accordance with sound business practice, but before making provision for depreciation, interest expense, and amortization. The net revenues remaining in the Revenue Fund after the payment of such operating expenses, as provided in the Lease and the Supplemental Lease, are pledged to the payment of interest and principal of outstanding First and Second Lien debt. Net revenues remaining after payment of debt service are paid to the Renewal and Extension Fund for funding of capital projects.

The Lease requires the County to revise and adjust as often as it shall appear necessary the schedule of rates, fees, and charges for water and sewerage services and facilities to produce funds sufficient to operate and maintain the System on a sound businesslike basis and to make the Lease Payments as required. Pursuant to the Lease, the County has covenanted that such rates, fees, and charges, shall be maintained at such level so as to produce Net Revenues equal to at least 1.2 times the Debt Service Requirement in the then current year and, taking into account amounts on deposit therein, to create and maintain by the end of each year a balance in the Renewal and Extension Fund of not less than $3,000,000.

With respect to Second Lien Bonds issued as Variable Rate Obligations, the Debt Service Requirement is computed at a rate equal to the sum of (a) the lesser of: (i) the average interest rate on such Variable Rate Bonds for the 12 consecutive months preceding the date of calculation, and (ii) the average of the BMA Index for the 12 consecutive months preceding the date of calculation; and (b) any fees associated with any Liquidity Facility or Remarketing Agreement related to such bonds.

## Additional Bonds

As stated in the Supplemental Lease, the Authority will not issue Additional Bonds under the First Lien debt after October 1, 2004. However, the Supplemental Lease does not restrict the issuance of Additional Second Lien bonds. Following are conditions that must be met before issuance of Additional Bonds:

(a) None of the outstanding First and Second Lien Bonds are in default as to payment of principal and interest; the Authority remains in compliance with the Lease as supplemented and amended; the County is in compliance with the Lease and has consented in writing to the issuance of such Additional Bonds.
(b) All of the payments to the Sinking Fund for both First and Second Lien Bonds are currently being made in full as required.
(c) A firm of independent certified public accountants shall have certified that based on Net Revenues for a period of 12 full consecutive calendar months out of 18 consecutive calendar months preceding the month of adoption of the proceedings for the issuance of such Additional Bonds, the Debt Service Coverage Ratio for each full Sinking Fund Year subsequent to issuance of the proposed Additional Bonds shall not be less than 1.10.

(d) If such proposed Additional Bonds are issued to finance a capital project, the Authority shall have received a report of the Consulting Engineers setting forth the description of the project and projected future Debt Service Coverage Ratios.
(e) All procedures relating to authorization of Additional Bonds and subsequent validation proceedings are followed.

## Debt Service Reserve – MBIA Surety Bond

The Lease requires the establishment of a Debt Service Reserve Account (the "Reserve Account") within the Sinking Fund in an amount at least equal to the highest annual debt service on the First Lien Bonds. In place of maintaining a Debt Service Reserve Account, the Authority has purchased a debt service reserve surety bond from MBIA. The premium on the surety bond was fully paid at issuance and delivery of the First Lien Bonds. The bond provides that, upon proper notice to MBIA that the Authority has failed to make the required deposit with the Paying Agent sufficient to pay the principal due, MBIA will make such payments to fulfill obligations up to $44,002,030. The surety bond does not ensure against non-payment caused by the insolvency or negligence of the Sinking Fund Custodian. The Authority will be required to reimburse MBIA for any draws under the surety bond with interest at a market rate. Upon such reimbursement, the surety bond will be reinstated to the extent of such reimbursement up to the maximum limit thereof.

The surety bond is only applicable to the outstanding First Lien Bonds issued in 1994, 1998, 2002, and 2003. All Second Lien Bonds issued in 2004, 2005, 2006, 2008, and 2009 and thereafter do not have a debt service requirement.

## Annual Debt Service Requirements

Debt service requirements on the Water and Sewerage Authority Revenue Bonds, Series 1994, 2002, 2003b, 2005, 2006, 2008, and 2009 are as follows:

| | First Lien | | | | Second Lien | | |
|---|---|---|---|---|---|---|---|
| Bond Year Ending December 31 | Debt Service Requirements 1994 | Debt Service Requirements 2002 | Debt Service Requirements 2003b | Debt Service Requirements 2005 | Debt Service Requirements 2006* | Debt Service Requirements 2008 | Debt service Requirements 2009** |
| 2011 | - | 1,642,500 | 18,948,188 | 34,588,144 | 5,495,769 | 8,913,883 | 19,937,810 |
| 2012 | - | 2,082,500 | 18,953,188 | 34,569,844 | 5,491,319 | 8,913,883 | 19,704,160 |
| 2013 | - | - | 18,949,438 | 34,548,863 | 7,491,419 | 17,128,883 | 19,423,360 |
| 2014 | - | - | 18,952,100 | 34,532,513 | 7,610,019 | 17,128,133 | 19,378,235 |
| 2015 | - | - | 18,951,250 | 34,529,288 | 7,510,219 | 17,131,883 | 19,151,835 |
| 2016 – 2020 | - | - | 94,754,800 | 123,626,163 | 49,792,419 | 85,645,563 | 95,443,175 |
| 2021 – 2025 | - | - | 94,751,488 | 19,894,175 | 97,802,394 | 85,650,888 | 95,440,713 |
| 2026 – 2030 | - | - | - | - | - | 51,391,525 | 79,602,190 |
| Total | - | 3,725,000 | 284,260,452 | 316,288,990 | 181,193,558 | 291,904,641 | 368,081,478 |

- The Series 2002 Bonds were partially defeased with the proceeds from the 2006 Bond.
- The Series 2009 Bond Amounts presented above represent the aggregate Debt Service amounts for both the 2009a and 2009b bonds.

## Audited Annual Financial Statements

The Financial Section of this Comprehensive Annual Financial Report contains the County's Financial Statements with related Independent Auditors' Report. The County also has separately issued financial statements for the Water and Sewerage Authority, with related Independent Auditors' Report. These statements are consistent with the financial statements contained in the Official Statements in compliance with SEC *Rule 15c2-12(b)(5)(i)(A) and (B)*.

## Required Notices

The following table lists each material event and required notice defined in *15c2-12(b)(5)(i)(C) and (D)*. Since none occurred, the table confirms that no notice to the Nationally Recognized Municipal Securities Information Repository or the Municipal Securities Rule Making Board was required for any of the material events related to the Series 1998, 2002, 2003b, 2004, 2005, 2006, 2008, and 2009. Water and Sewerage Bonds. This confirms compliance with SEC *Rule 15c2-12(b)(5)(i)(C) and (D)* from July 3, 1995, to the date of this report.

* Bonds are variable rate demand notes. Rate 2.97 percent through October 2009; 4 percent thereafter.

| Rule Sec. | Description | Series 1998 | Series 2002 | Series 2003b | Series 2004 * | Series 2005 | Series 2006 | Series 2008 | Series 2009 |
|---|---|---|---|---|---|---|---|---|---|
| (C)(1) | Principal and interest payment delinquencies | None | None | None | None | None | None | None | None |
| (C)(2) | Non-payment related defaults | None | None | None | None | None | None | None | None |
| (C)(3) | Unscheduled draws on debt service reserves reflecting financial difficulties | None | None | None | None | None | None | None | None |
| (C)(4) | Unscheduled draws on credit enhancements reflecting financial difficulties | None | None | None | None | None | None | None | None |
| (C)(5) | Substitution of credit or liquidity providers, or their failure to perform | None | None | None | None | None | None | None | None |
| (C)(6) | Adverse tax opinions or events affecting the tax-exempt status of the security | None | None | None | None | None | None | None | None |
| (C)(7) | Modifications to rights of security holders | None | None | None | None | None | None | None | None |
| (C)(8) | Bond calls | None | None | None | None | None | None | None | None |
| (C)(9) | Defeasances | None | None | None | None | None | None | None | None |
| (C)(10) | Release, substitution, or sale of property securing repayment of the securities | None | None | None | None | None | None | None | None |
| (C)(11) | Ratings changes | None | None | None | None | None | None | None | None |
| (D) | Failure to provide annual financial information or operating data in a timely manner | None | None | None | None | None | None | None | None |

## Other Information

Other relevant information is located in the Statistical Section of this Comprehensive Annual Financial Report.

**Prepared by:**
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## About the Cover

### Hamilton Mill Library

Located at 3690 Braselton Highway in Dacula

Opened May 8, 2010

$7.4-million project that was funded by the 2005 SPLOST and a $2-million capital outlay grant from the State of Georgia

20,000 square foot building

LEED Gold Certified (Leadership in Energy and Environmental Design)

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