



Comprehensive Annual Financial Report

2011

gwinnettcounty, **georgia**

Year Ended
December 31, 2011


BOARD OF COMMISSIONERS OF GWINNETT COUNTY
DECEMBER 15, 1818
GEORGIA

gwinnettcounty, **georgia**
Comprehensive Annual Financial Report
Year ended December 31, 2011

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



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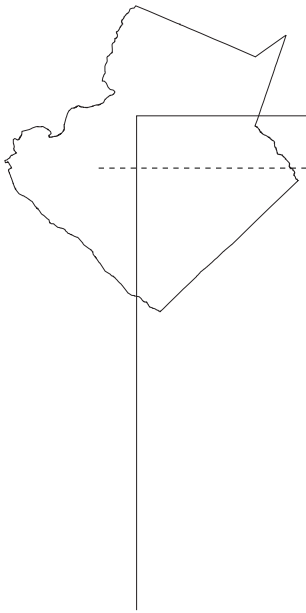
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introductory section

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Department of Financial Services
Office of the Director

75 Langley Drive • Lawrenceville, GA 30046
(tel) 770.822.7820 • (fax) 770.822.7818

May 15, 2012

Dear Citizens, Stakeholders, Chairman, and Members of the Board of Commissioners of Gwinnett County:

Georgia state law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report ("the CAFR") of Gwinnett County, Georgia ("the County") for the fiscal year ended December 31, 2011.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Mauldin and Jenkins, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded the statements were fairly presented in conformity with GAAP and issued an unqualified opinion. The independent auditor's report is presented as the first component of the financial section of the report.

The independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are available in the CAFR under the heading Single Audit Section.



GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A contains a narrative overview and analysis of the financial activities of the County. Gwinnett County's MD&A can be found on pages 17 – 32 immediately following the independent auditors' report. This transmittal letter, which is designed to assist users in assessing the government's financial condition, should complement the MD&A.

Profile of the Government

Gwinnett County is a world-class residential, business, and tourist location that was originally named for Button Gwinnett, one of Georgia's three signers of the Declaration of Independence. The Georgia legislature created Gwinnett County on December 15, 1818.

Gwinnett County is also known as the northeast gateway to the metropolitan Atlanta area, with Interstate 85 running generally north/south through the county. Gwinnett is easily accessible to the scenic Lake Lanier and the University of Georgia (at Athens) via University Parkway/Georgia Highway 316. Another interesting fact is 80 percent of the United States population is within a two-hour flight from Gwinnett County.

There are 15 incorporated municipalities within Gwinnett County's 437 square miles. The county seat of Lawrenceville is a 25-minute drive from downtown Atlanta. Gwinnett is one of America's fastest-growing counties and its population exceeded 820,000 in 2011. Based on current trends, Gwinnett is expected to reach nearly one million by the year 2026. The statistical section of this report contains more detailed demographic information.

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 other elected officials and eight judicially appointed officials. A complete list is located on page 11.

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.

Our dynamic and exciting county combines the best of big-city living with the comforts of the suburbs.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Fiscal year 2011 was another difficult year with many challenges for local, state, and national economies. However, the County's economic development program continues to be strong. Employment in Gwinnett is up more than two percent over last year, but remains the lowest of the five core metro counties. More than half of the employed residents work within Gwinnett County.

The County, working through our Partnership Gwinnett program, is helping attract new employers and new investments, as well as working with existing businesses to help them expand in Gwinnett. In its 2011 annual report, Partnership Gwinnett reported 282 business relocations or expansions, the addition of 12,366 jobs, and $808 million in capital investment over four years.

We are also focusing on economically-challenged areas through the Neighborhood Stabilization Program. Through this program, the County is buying foreclosed homes in targeted neighborhoods, restoring them and making them available to qualified buyers. Using federal funding, the County has acquired and rehabilitated approximately 190 single and multi-family units that are now homes to 160 families. It is providing welcomed relief for those communities where homes once stood vacant and deteriorating.

Gwinnett County has maintained triple-AAA bond ratings from all three rating agencies since 1997. The triple-AAA rating validates that Gwinnett's financial position is strong, has sound general fund reserves, and excellent long-term financial planning. Gwinnett is in an elite group of only 36 counties in the United States with the top bond ratings from all three major bond-rating agencies. Our excellent credit rating results in significant interest savings for Gwinnett residents. One example is the County refunded water and sewer bonds in 2011 which resulted in a net present value debt service savings of $9.43 million.

Long-Term Financial Planning and Economic Development

The Gwinnett County vision provides the overarching framework for our strategic and operational decision making. The vision provides the continuity necessary to execute both short and long-term policy and resource decisions.

"Gwinnett County sets the standard as a dynamic, vibrant community where all people can enjoy essential economic opportunities, safe neighborhoods, plentiful greenspace, and recreational facilities. We are committed to partnering with others in our community who share a dedication to making life better for our citizens."

The Board of Commissioners adopted the 2030 Unified Plan in 2009. This plan will guide the County's growth and infrastructure development for decades and is an innovative roadmap for smart growth in Gwinnett. The 2030 Unified Plan coordinated the updates of the Comprehensive Plan, the Consolidated Plan, and the Comprehensive Transportation Plan.

Other initiatives that the County completed in 2011 included the development of five-year forecasts for all of its primary operating funds to evaluate future financial capacity. Using estimates, strategies are developed to achieve long-term sustainability of the government's service objectives, balance reserve levels, and prevent or address identifiable financial challenges.





Decline in the Digest

Perhaps the most noticeable impact of the recession on County finances has been the declining property tax digest. For many years, Gwinnett experienced a growing tax digest. Beginning in 2008, the growth began to slow and has continued to decline since 2009. The digest is projected to decline through 2013.

The County faced many difficult decisions as a result of the decline in the digest and 2011 was no exception. When the 2011 budget was adopted, the County appropriated a nearly $38 million use of fund balance within the General Fund, the main operating fund, with a goal of eliminating the deficit prior to year end. The County was successful in balancing the budget without the use of fund balance within the first 90 days of 2011 through multiple cost-saving initiatives. Some of the initiatives included the 90-day job vacancy program, which resulted in $4.9 million in savings in the General Fund alone, as well as the budget-necessitated furlough days, which resulted in $1.9 million in savings across all funds. The cost-saving initiatives implemented in 2011, as well as conservative financial forecasts, allowed us to end the year on solid financial footing. As a result, the General Fund ended the fiscal year with a contribution to fund balance of $23.6 million, bringing the ending fund balance to $171.9 million.

Although the Fiscal Year 2012 budget included an additional 8.3 percent drop in the property tax digest resulting in $24 million less revenue for County-provided services, the County balanced the budget without the use of reserves or additional service cuts to the citizens. The County focused on preserving core services, maintaining access to parks and libraries, no new or expanded services, no new positions or pay raises, continuation of the 90-day vacancy program, and compliance with state and federal mandates in 2012. With adoption of the FY2012 budget of $1.3 billion, the County will continue the cost reductions, revenue enhancements, and efficiency improvements implemented over the last four years.

Rising Health Care Costs

Rising health care costs continue to affect county government in several areas. The County is addressing the issue in a multi-faceted approach. One aspect of that approach is providing Wellness Promotion and Disease Management Services. Another aspect is reducing the contracted health care costs. In 2011, the County was successful in reducing health care costs by $5.2 million through negotiations with insurers.

Accrued Liabilities

Another financial challenge for the County, like other governments, has been funding our Defined Benefit Pension (DB) and Other Post-Employment Benefits (OPEB) plans. Beginning in 2007, the County closed the DB pension plan to new employees and committed to amortize the unfunded benefit cost over 20 years, the projected service time of remaining participants. The combination of the challenging investment environment and retirements results in an increased percentage contribution from the remaining participants. However, with the County commitment to reduce the unfunded pension and OPEB liabilities and increase the funding ratios of these plans, budget savings in recent years have been contributed to pay down accrued liabilities.

In 2011, the County continued the aggressive contributions to both plans totaling $88.3 million. The $88.3 million included not only the required annual contribution of $53.9 million, but also an extra contribution of $34.4 million, with $26.5 million being deposited into the DB plan and $7.9 million deposited into the OPEB trust.

More details are in *Notes 12* and *13* of the *Notes to Financial Statements*.

Environmental Sustainability

Gwinnett is dedicated to advancing environmental sustainability. One of the accomplishments in 2011 related to this initiative is the new Gas-to-Energy project. This project uses methane gas at the F. Wayne Hill Water Resources Center to generate up to 40 percent of the plant's heat and electricity for an annual savings of $400,000. Other accomplishments include receiving the Bronze Certification from ARC Green Communities Program, conducting energy efficient upgrades at facilities, and converting all traffic signals and flashers to LED lights to reduce operation and maintenance costs.

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.

Internal Controls

County management maintains internal accounting controls to ensure that the County's assets are protected from loss, theft, or misuse; 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

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 the document, meets the legal requirements for advertising the budget and for holding public hearings, and then adopts the annual financial plan at the first regularly-scheduled Commissioner meeting of the year. 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 or ordinance. 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.





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. PAD also has responsibility for overseeing the County's Performance Management and Balanced Scorecard 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 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.

Accomplishments

Although the County and our citizens continue to face difficult financial times, the County was able to accomplish many objectives through the year as a result of visionary leadership supported by long-term planning, community collaboration, flexibility, and the willingness to take action. Some of the accomplishments which align with the County's vision include:

"Enjoy essential recreational facilities"

In 2011, Gwinnett County completed park renovations and expansions for the Bethesda Park Senior Center, Rhodes Jordan Park, which will open a new soccer complex in the spring of 2012, Collins Hill and Mountain Park Aquatic Center, and a new section of Ivy Creek Greenway in George Pierce Park.

"Safe Neighborhoods"

The County continues to provide top-quality public safety for our residents and businesses. One of the more notable achievements in 2011 was the decrease in crime in most categories, including burglary and vehicle theft. The County also solved 88 percent of homicide cases as compared to the national average of 64 percent.

"Making life better for our citizens"

During 2011, the County received national accreditation for the paramedic training program. In addition to the accreditation, the County performed over 19,000 inspections, delivered 361 fire and life safety programs to 32,000 participants, and responded to 64,450 Fire and EMS calls.

The County also redesigned its website to improve the user experience and added the **Where Your Property Taxes Go** tool to help property owners understand the value they receive in services for what they pay in taxes.

In 2011, the Department of Transportation opened the third section of the Sugarloaf Parkway Extension and the County is currently working on a connection to State Route 316.

In addition, the Department of Transportation completed the McGinnis Ferry Road extension, timed 50 traffic signals in six corridors, and resurfaced 80 miles of roads.

"Partnering with Others in our Community"

The County launched *Volunteer Gwinnett* to help the County provide valuable services with a goal of reaching one million volunteer hours by 2015. In 2011, volunteers contributed 470,850 hours.

A complete listing of all notable accomplishments from the 2011 State of the County address can be obtained at **www.gwinnettcounty.com.**

Awards

In 2011, for the 30th consecutive year, Gwinnett County received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the fiscal year ending December 31, 2010. 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 in 2011 included:

- 2011 Achievement Awards for the Gas-to-Energy project
- Growing in Gwinnett television production, Unclog the FOG (fats, oil, and grease) education campaign, and Utility interface project from the National Association of Counties
- 2011 CREATE Community Award for the Gas-to-Energy Project from the Atlanta Regional Commission
- Gwinnett Parks and Recreation named Agency of the Year by Georgia Recreation and Park Association
- Graphic design, electronic newsletters, and special projects Awards of Excellence to Gwinnett Communications Office from National Association of County Information Officers
- Excellence in Restoration award for Freeman's Mill Park from Georgia Trust for Historic Preservation
- Recycling public service announcement was a finalist in the Government Programming Awards from the National Association of Telecommunications Officers and Advisors
- Gwinnett Police Officers Jeremy Bailey and Darin Mitchem received the Governor's Public Safety Award
- Distinguished Budget Presentation Award from the Government Finance Officers Association
- Achievement of Excellence in Procurement Award from the National Purchasing Institute



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 Chairman Charlotte J. Nash, 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 2011 is a tribute to their dedication.

Respectfully submitted,



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, 2010

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

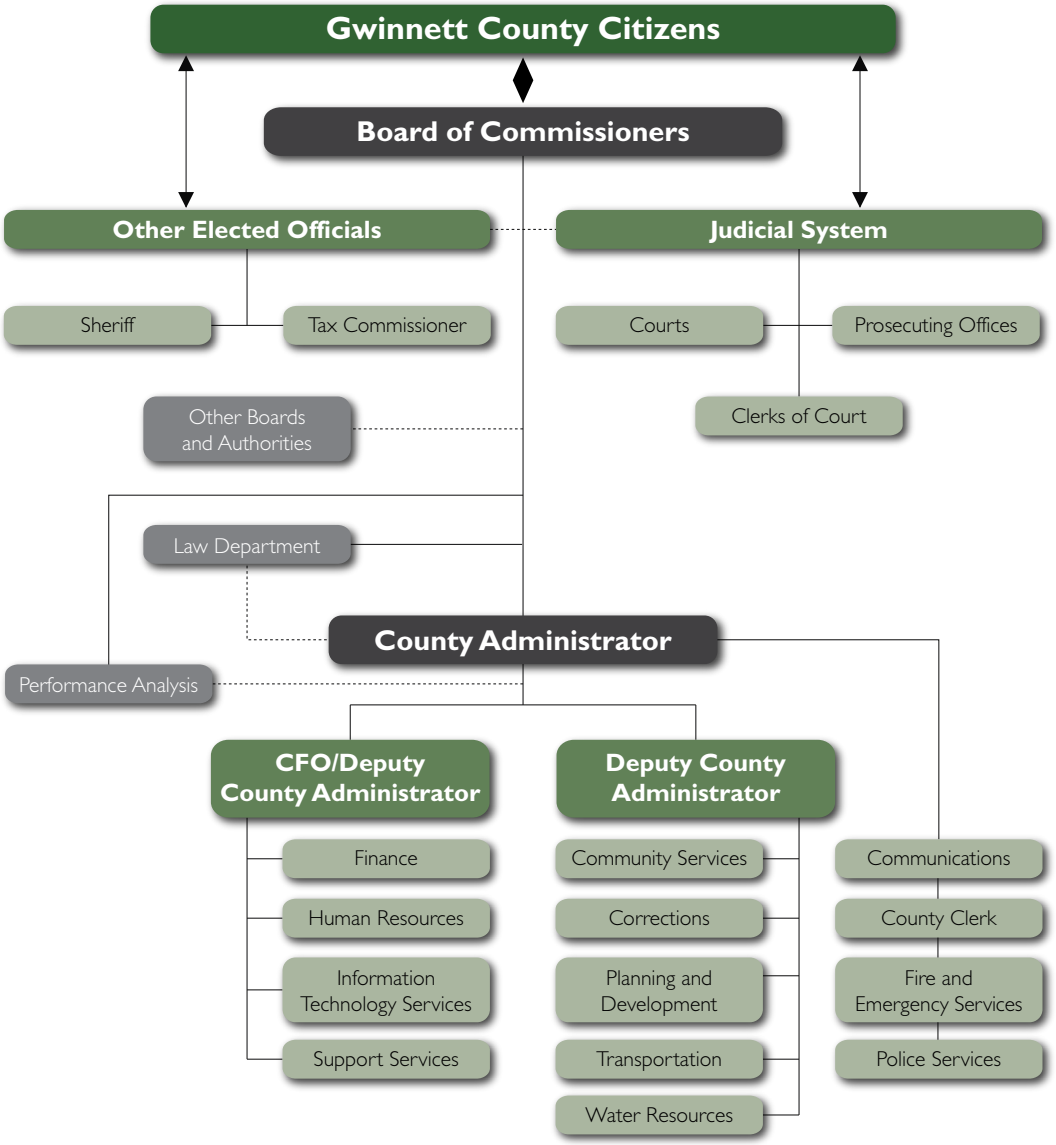
Linda C. Davidson

President

Jeffrey R. Esser

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
M. Van **Stephens,** *Acting County Attorney*

Community Services
Phil **Hoskins,** Director

Corrections
Warden David **Peek**

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
Vacant

Transportation
Kim **Conroy,** *Acting Director*

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

Elected Officials

Clerk of Court
Richard T. **Alexander Jr.**

District Attorney
Daniel J. **Porter**

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

Probate Court Judge
Walter J. **Clarke, II**

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

Solicitor
Rosanna **Szabo**

Tax Commissioner
Richard **Steele**

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,** Chief Judge
Stephen E. **Franzén**
Robert **Waller**

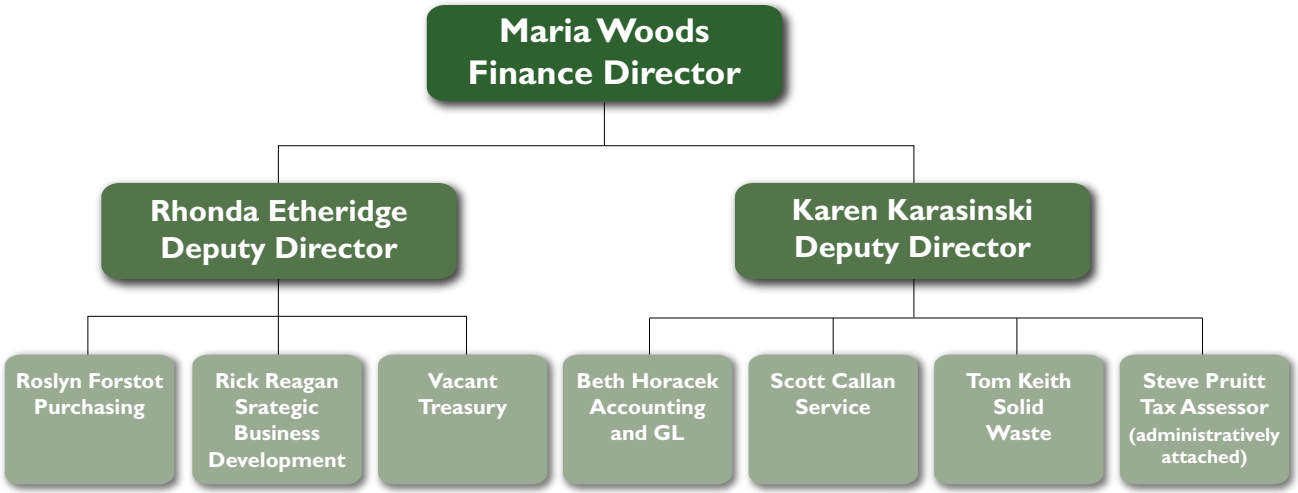
Recorder's Court Judges
Michael **Greene,** Chief Judge
Rodney S. **Harris**
Patti **Muise**

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

Court Administrator
Philip M. **Boudewyns**

Financial Services Organization Chart

Department of Financial Services
Director's Office



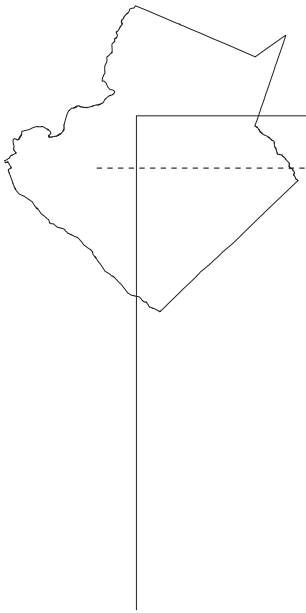
Accounting Division

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

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
Anna **Payne**, Financial Analyst
Penny **Purchell**, CPA, Financial Analyst

Shirley **Roper,** Administrative Assistant

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financial section

Independent Auditors' Report
Management's Discussion and Analysis

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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, 2011, 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 9% and 47%, 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 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, 2011, and the respective changes in financial position and, where applicable, cash flows 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.

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011.

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 May 14, 2012 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress (on pages 17 through 32 and pages 95 and 96, respectively) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the accompanying Schedule of Expenditures of Federal, State, and Local Awards, which is 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Mauldin & Jenkins, LLC

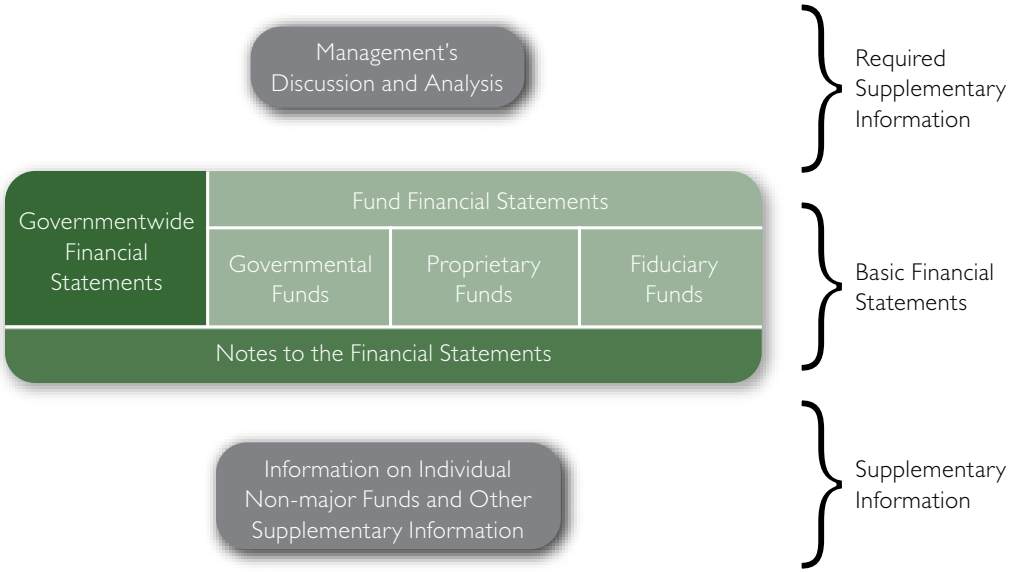
Atlanta, Georgia
May 14, 2012

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, 2011. 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 within this section 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 required supplementary information.

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, stormwater, and transit.

The governmentwide financial statements include Gwinnett County itself (known as the primary government), 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 33 – 34 of this report. The component unit combining statements are on pages 45 – 46.

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. 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 separate governmental funds to account for the following activities: General; Special Revenue (Street Lighting, Speed Hump, Juvenile Court Supervision, Tree Bank, Sheriff Special Justice, Sheriff Special Treasury, Sheriff Special State, Police Special Justice, Police Special Treasury, Police Special State, Crime Victims Assistance, District Attorney Federal Asset Sharing, Corrections Inmate Welfare, Sheriff Inmate, E-911, Recreation, Grant, Tourism, and Stadium); Capital Projects (2001 Sales Tax, 2005 Sales Tax, 2009 Sales Tax, and Other Capital Projects); and Debt Service. 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, 2001 Sales Tax, 2005 Sales Tax, and 2009 Sales Tax funds, all of which are considered to be 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 39. The basic governmental fund financial statements can be found on pages 35 – 38.

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, Stormwater, and Transit activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions based on usage. 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.

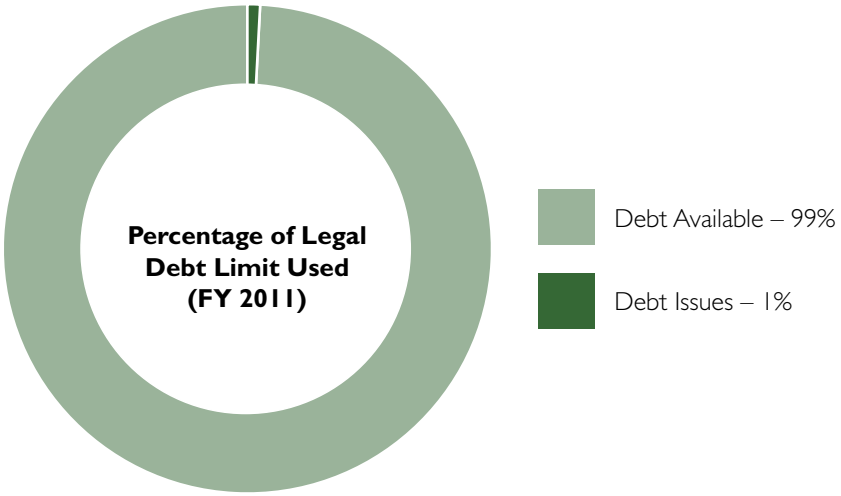
The basic proprietary fund financial statements can be found on pages 40 – 42 of this report.

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 Net Assets on page 43. The County also maintains fiduciary funds for Pension and Other Post-Employment Benefits (OPEB) trust funds. These funds are aggregated and presented on page 43 and 44.

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 47 – 94 of this report.

Financial Highlights

- Gwinnett County's assets exceeded its liabilities at December 31, 2011 by $5,962,906,000 (net assets). Of this amount, $682,457,000 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of December 31, 2011, the County's governmental funds reported combined ending fund balances of $610,614,000, an increase of $48,614,000 in comparison with the prior year. Of this amount, $164,650,000 remains in the General Fund as unassigned.
- At December 31, 2011, the County's General Fund reported a fund balance of $171,854,000, an increase of $23,901,000 or 16.2 percent from last fiscal year.
- Gwinnett County's total long-term bonds decreased by $63,920,000 during the current fiscal year. This decrease is attributed to principal payments and a refunding that took place in 2011.
- The Water and Sewerage Fund reported an increase in net assets of $66,131,000, which is approximately $11.3 million more than the 2010 increase in net assets. This increase is primarily due to a 6 percent increase in water revenues ($14.8), a $4.7 million increase in capital contributions, and a decrease in non-operating expenses of $2.4 million offset by a $6.8 million decrease in intergovernmental and miscellaneous revenue and an increase in operating expenses of $3.8 million.



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 $5,962,906,000 at the close of the most recent fiscal year. This represents an increase of $169,691,000, or 2.9 percent, from fiscal year 2010.

Gwinnett County's Net Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 956,897	$ 905,089	$ 331,425	$ 337,505	$ 1,288,322	$ 1,242,594
Capital assets	2,424,545	2,380,979	3,642,042	3,636,963	6,066,587	6,017,942
Total assets	3,381,442	3,286,068	3,973,467	3,974,468	7,354,909	7,260,536
Long-term liabilities outstanding	171,486	187,148	1,048,240	1,096,688	1,219,726	1,283,836
Other liabilities	75,176	71,606	97,101	111,879	172,277	183,485
Total liabilities	246,662	258,754	1,145,341	1,208,567	1,392,003	1,467,321
Net assets:						
Invested in capital assets, net of related debt	2,277,988	2,220,825	2,598,236	2,591,610	4,876,224	4,812,435
Restricted	365,299	283,828	38,926	37,072	404,225	320,900
Unrestricted	491,493	522,661	190,964	137,219	682,457	659,880
Total net assets	$ 3,134,780	$ 3,027,314	$ 2,828,126	$ 2,765,901	$ 5,962,906	$ 5,793,215

By far the largest portion of the County's net assets (82 percent) at December 31, 2011 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 (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($682,457,000) may be used to meet the government's ongoing obligations to citizens and creditors.

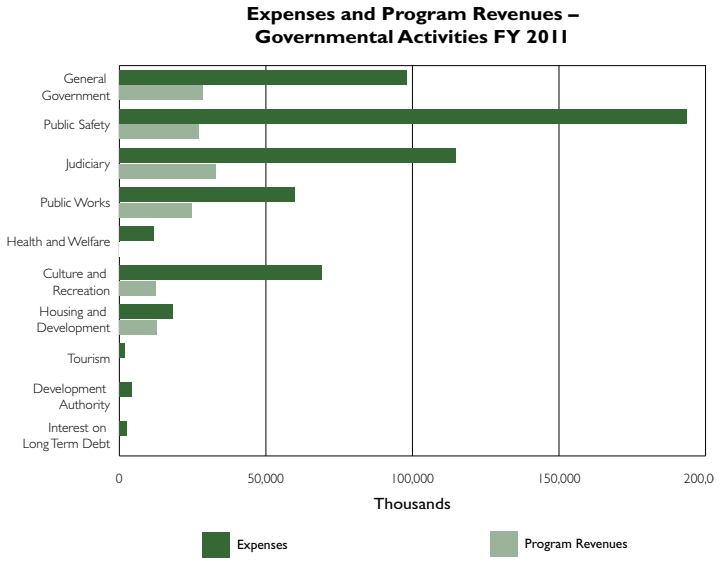
At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. Growth in net assets is an indication that the County's financial position has improved over 2010.

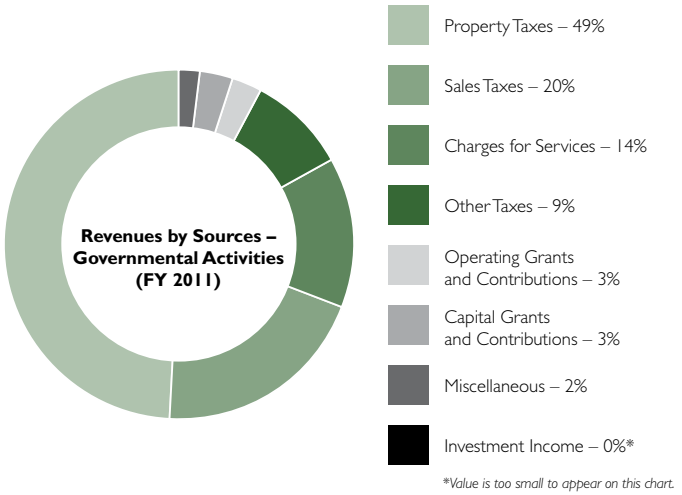
Gwinnett County's Changes In Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	$100,258	$92,278	$337,728	$296,780	$437,986	$389,058
Operating grants and contributions	18,005	33,739	6,605	5,740	24,610	39,479
Capital grants and contributions	20,193	11,182	17,571	18,616	37,764	29,798
General revenues:						
Property taxes	336,256	363,744	-	-	336,256	363,744
Sales taxes	134,752	128,594	-	-	134,752	128,594
Other taxes	64,284	49,673	-	-	64,284	49,673
Investment income	1,998	6,485	1,044	346	3,042	6,831
Other	11,588	14,783	-	7,634	11,588	22,417
Total revenues	687,334	700,478	362,948	329,116	1,050,282	1,029,594
Expenses						
General government	97,991	96,653	-	-	97,991	96,653
Public safety	193,625	188,823	-	-	193,625	188,823
Judiciary	114,896	113,089	-	-	114,896	113,089
Public works	60,013	55,506	-	-	60,013	55,506
Health and welfare	11,762	11,528	-	-	11,762	11,528
Culture and recreation	69,252	69,493	-	-	69,252	69,493
Housing and development	18,098	25,374	-	-	18,098	25,374
Tourism	2,044	1,760	-	-	2,044	1,760
Development authority	4,367	6,675	-	-	4,367	6,675
Interest on long-term debt	2,659	2,661	-	-	2,659	2,661
Water and sewage	-	-	213,048	209,840	213,048	209,840
Airport	-	-	2,359	1,811	2,359	1,811
Solid waste	-	-	40,438	20,910	40,438	20,910
Stormwater	-	-	31,804	28,032	31,804	28,032
Transit	-	-	18,235	15,533	18,235	15,533
Total expenses	574,707	571,562	305,884	276,126	880,591	847,688
Increase in net assets before transfers	112,627	128,916	57,064	52,990	169,691	181,906
Transfers	(5,161)	(4,892)	5,161	4,892	-	-
Increase in net assets after transfers	107,466	124,024	62,225	57,882	169,691	181,906
Net assets – January 1	3,027,314	2,903,290	2,765,901	2,708,019	5,793,215	5,611,309
Net assets – December 31	$3,134,780	$3,027,314	$2,828,126	$2,765,901	$5,962,906	$5,793,215

Governmental activities: Governmental activities increased the County's net assets by $107,466,000, thereby accounting for 63 percent of the total growth in net assets.

- Revenue decreased by $13,144,000, primarily due to a decrease in property tax revenue of $27.5 million, offset by an increase in sales tax revenue ($6.2 million), an increase in other taxes ($14.6 million), a slight increase in program revenues ($1.3 million), a decrease in investment income ($4.5 million), and a decrease in miscellaneous revenue ($3.2 million).
- Public safety expenses increased by $4.8 million, primarily due to allocation of the change in net pension asset and allocation of the Internal Service Fund operating loss.
- Public works expenses increased by $4.5 million, primarily due to an increase in depreciation as SPLOST projects are completed.
- Housing and development expenses decreased $7.3 million, primarily due to decreased activity in the HUD grant programs.
- Development authority expenses decreased by $2.3 million, primarily due to refunding the recycling bonds in 2010, and thus not making related payments to the Authority.

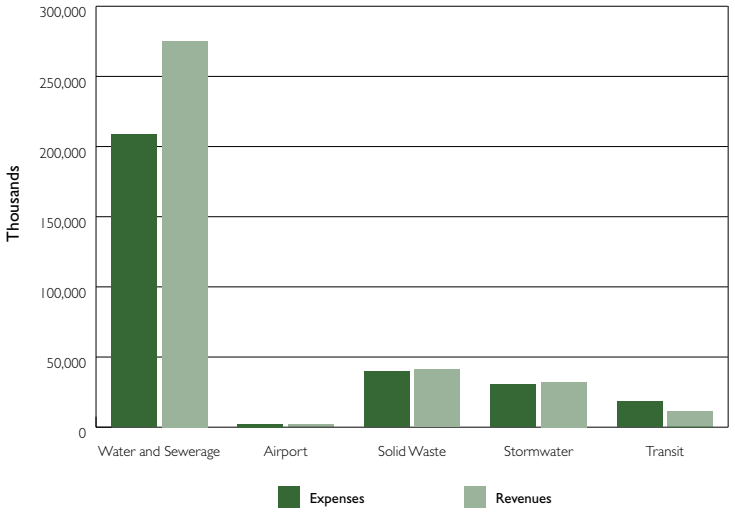


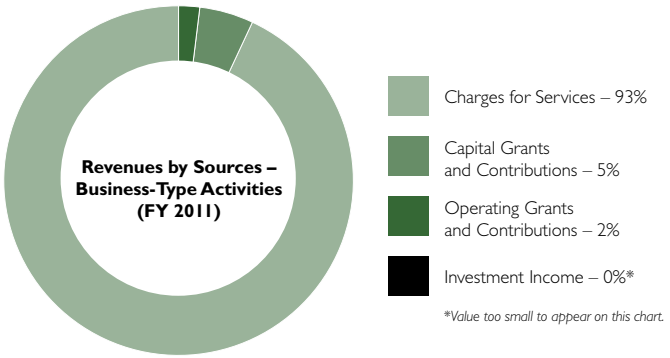


Business-type activities: Business-type activities increased the County's net assets by $62,225,000, accounting for 37 percent of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Water and Sewerage Fund reported an increase in net assets of $66,131,000, which is approximately $11.3 million more than the 2010 increase in net assets. This increase is primarily due to a 6 percent increase in water revenues ($14.8), a $4.7 million increase in capital contributions, and a decrease in non-operating expenses of $2.4 million offset by a $6.8 million decrease in intergovernmental and miscellaneous revenue and an increase in operating expenses of $3.8 million.
- The Stormwater Fund reported an increase in net assets of $1,153,000. This is $6.3 million less than the 2010 increase in net assets. Operating income is down $4.6 million from 2010, due in part to an increase in operating expenses as well as a decrease in some one-time miscellaneous revenue that was received in 2010. In addition, transfers in decreased $2 million, primarily because the 2010 transfers included one-time flood reimbursements, contributed capital increased approximately $.5 million, interest expense increased $107,000, and loss on disposal of assets increased $160,000.
- The Transit Fund reported a decrease in net assets of $3,831,000, which is substantially the same as the 2010 decrease in net assets.
- The Solid Waste Fund reported an increase in net assets of $1,315,000, which is approximately $1.6 million more than the 2010 change in net assets. Revenues more than doubled and expenses nearly doubled as 2011 was the first full year of operations under the *Solid Waste Ordinance.*

Expenses and Program Revenues – Business-Type Activities FY 2011





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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $610,614,000, an increase of $48,614,000 in comparison with the prior year. This increase is approximately $9 million less than the 2010 increase in fund balances. Overall revenues are down $75 million, mainly from taxes due to the declining property tax digest, but this was offset by an overall decrease in expenditures of $39 million and an increase in transfers in of $26 million from the Vehicle Replacement Fund. 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, unassigned fund balance of the General Fund was $164,650,000. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 40 percent of total General Fund expenditures. Total fund balance increased almost $24 million, which is $6 million less than the 2010 increase in fund balance. Factors that contributed to this included revenues being down $44 million primarily due to the declining property tax digest, expenditures being down $15 million primarily due to vacancies and efforts to spend conservatively, and transfers out being down $23 million.

The Other Capital Projects Fund accounts for the financial resources to be used for the purchase and construction of major capital facilities and equipment, other than those accounted for in specific funds. At the end of the current fiscal year, the fund balance of the Other Capital Projects Fund was $75,493,000, representing an increase of $18,019,000 from 2010. Expenditures exceeded revenues by $14 million, which was offset by a transfer in of $32 million. The increase in fund balance is primarily a result of closing the Vehicle Replacement Internal Service Fund and transferring the remaining funds to the Other Capital Projects Fund.

The 2001 Sales Tax Fund accounts for the financial resources provided from the 2001 1 (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 2011, the 2001 Sales Tax Fund reported a fund balance of $2,800,000, a decrease of $16.4 million from 2010. Fund expenditures exceeded revenues by $4.6 million in 2011, and $11.8 million was transferred to the 2009 Sales Tax Fund. The 2001 Sales Tax Fund will be closed in 2012.

The 2005 Sales Tax Fund accounts for the financial resources provided from the 2005 1 (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 2011, the 2005 Sales Tax Fund reported a fund balance of $74.8 million. Fund expenditures exceeded revenues by $45 million. This is expected as current sales tax revenues are recorded in the 2009 Sales Tax Fund.

The 2009 Sales Tax Fund accounts for the financial resources provided from the 2009 1 (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 2011, the 2009 Sales Tax Fund reported a fund balance of $186 million. Revenues exceeded expenditures by $64 million.

The Debt Service Fund has a total fund balance of $27.5 million as of December 31, 2011, all of which is restricted 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 $149,079,000. This represents an increase of $45,330,000 from unrestricted net assets as of December 31, 2010. The total growth in net assets was $66,131,000. Other factors concerning the finances of this fund have already been addressed in the discussion of business-type activities.

General Fund Budgetary Highlights

The original fiscal year 2011 budget was adopted with a $38 million use of fund balance. County departments worked diligently to reduce the deficit and the final budget contained no use of fund balance.

Differences between the original budget and the final amended budget amount to a net decrease in budgeted expenditures and transfers out of $27,569,000 and can be summarized as follows:

- Decrease of $4.9 million in salaries and benefits due to the 90-day job vacancy program cost-saving initiative
- Decrease of $15.8 million in contributions to capital projects
- Decrease of $1.2 million in contributions to the Risk Management Fund
- Decrease of $.8 million in contributions to the Workers' Compensation Fund
- The remaining decrease is primarily related to savings from two budget-necessitated furlough days as well as departmental cost reduction initiatives.

General Fund Actual Expense Versus Budget Highlights

Actual revenues came in $20,613,000 above budget and can be summarized as follows:

- Taxes exceeded budget by $21,475,000. This was primarily due to a higher than anticipated 2011 net certified digest as well as the year-end collection rate for property tax of approximately 95.1 percent, the highest rate since 2004.

Actual expenditures came in $159,000 below budget and can be summarized as follows:

- The departments within the General Fund have spent less than the amount appropriated, primarily due to vacancies extending beyond the 90-day period and efforts to spend conservatively. With the County's commitment to reduce the unfunded pension and OPEB (Other Post-Employment Benefits) liabilities and increase the funding ratio of these plans, the budget savings have been transferred to Non-Departmental Accrued Liabilities and subsequently contributed to the Pension and OPEB trust funds, leaving a nominal General Fund positive variance of $159,000.

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, 2011 amounts to $6,066,587 (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	
	2011	2010	2011	2010	2011	2010
Land	$ 634,913	$ 670,331	$ 73,088	$ 73,075	$ 708,001	$ 743,406
Improvements	286,709	264,866	2,446,438	2,452,478	2,733,147	2,717,344
Buildings	547,842	557,699	559,395	573,807	1,107,237	1,131,506
Equipment	57,791	62,916	204,609	219,977	262,400	282,893
Vehicles	35,291	33,052	25,415	29,888	60,706	62,940
Infrastructure (roads, bridges and sidewalks)	757,840	677,976	659	-	758,499	677,976
Construction in progress	104,159	114,139	332,438	287,738	436,597	401,877
Total	$ 2,424,545	$ 2,380,979	$ 3,642,042	$ 3,636,963	$ 6,066,587	$ 6,017,942

Total capital assets for governmental activities for 2011 totaled $2,424,545,000, which is an increase of $43.6 million or 1.8 percent over 2010. The total of governmental assets transferred from construction in progress to the asset records during the year totaled approximately $114 million. Major projects consisted of the following:

- State Road 20 (Ozora Road – Brand Road): $5,808,910
- Indian Trail Road at Jackson Creek: $4,592,025
- Sugarloaf Extension Phase 1: $12,982,453
- Pleasant Hill (Old Norcross Road – Buford Highway): $9,079,210
- Rhodes Jordan Park: $8,629,637
- Lawrenceville Highway at Indian Trail Road: $4,483,273

Total assets for business-type activities for 2011 totaled $3,642,042,000, which is an increase of $5.1 million or less than 1 (one) percent over 2010. The total of business-type assets that were transferred from construction in progress to the asset records during the year totaled approximately $51 million. Major projects consisted of the following:

- US 78 Improvements: $3,412,543
- Watershed Protection Implementation: $5,517,325
- Gas-to-Energy Project: $5,593,450
- Sewer Assessment Program: $5,796,895
- Storm Drain Improvements: $8,197,007

Additional information on the County's capital assets can be found in ***Note 7*** on pages 72 – 74 of this report.

Long-Term Debt: At the end of the current fiscal year, the County had total bonded debt outstanding of $51,595,000 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 $969,515,000 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	
	2011	2010	2011	2010	2011	2010
General obligation bonds	$ 51,595	$ 63,465	$ -	$ -	$ 51,595	$ 63,465
Revenue bonds	-	-	969,515	1,021,565	969,515	1,021,565
Total	$ 51,595	$ 63,465	$ 969,515	$ 1,021,565	$ 1,021,110	$ 1,085,030

The County's total long-term bonds decreased by $63,920,000 during the current fiscal year due primarily to principal payments made in 2011 as well as a Water and Sewer refunding that took place in 2011 (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 75 – 82 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed taxable property valuation. The current debt limitation for the County is $2,498,644,000, which is significantly in excess of the County's net outstanding general obligation debt of $24,102,000.

Economic Factors and Next Year's Budgets and Rates

The economic environment remains uncertain for fiscal year 2012. Many economists predict that the year 2012 will be a continuation of the moderate gross domestic product (GDP) growth and decelerating inflation that occurred during the second half of 2011. Job creation is expected to continue, but will not be substantial enough to reduce unemployment to acceptable levels. Additional factors contributing to the nation's uncertain economic future include, but are not limited to, the European debt crisis, a weak housing sector, low consumer confidence, and a weak financial system.

According to Jeffrey Humphreys, director of the Terry College of Business Selig Center for Economic Growth, the state of Georgia faces a greater risk of recession (45 percent) than the U.S. (40 percent) in 2012. Despite the grim outlook for the state, the economic outlook for Gwinnett County is comparatively more positive. Job creating initiatives like Partnership Gwinnett have laid the foundation for the County's increasing economic vitality. Spearheaded by the Gwinnett Chamber, in partnership with the public and private sectors, Partnership Gwinnett is a collaborative initiative committed to job creation and retention in the areas of health care, information technology, supply chain management, professional services, and advanced manufacturing.

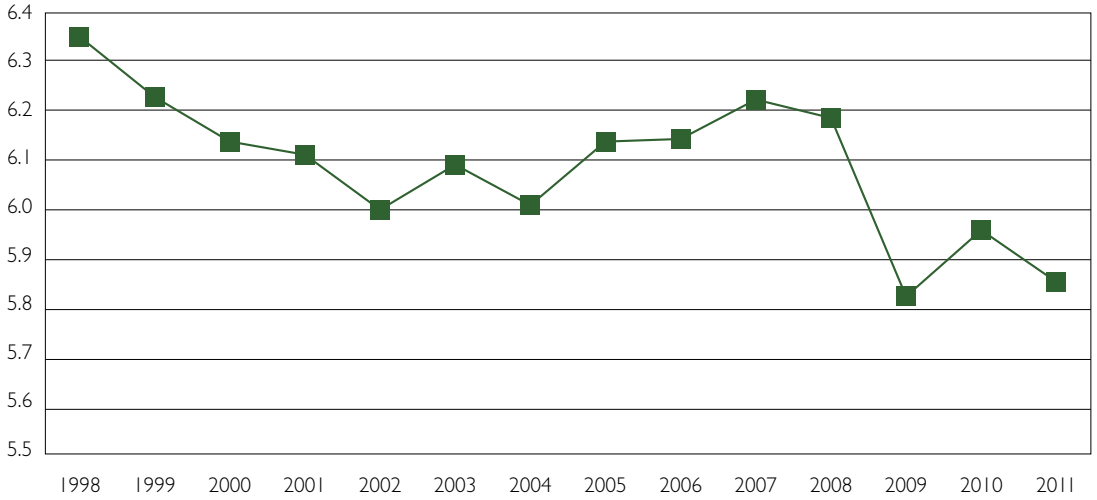
The U.S. Bureau of Labor Statistics reported that Gwinnett County experienced a 2.3 percent increase in employment from June 2010 to June 2011, or an increase of approximately 7,000 new jobs. The increase ranked Gwinnett County 33rd nationally among the United States' 322 largest counties and first among major counties in Georgia.

A challenge faced in the 2012 budget process was the continued decline of property values. In 2012, 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 expenditures. 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.

While Personal Services represents a large portion of the County's operating budget, the ratio of authorized positions to population continues to be lower than it was 13 years ago and has declined significantly since 2008. This presents the challenges of maintaining the same level of services with fewer employees and less funding for other operational costs.

Ratio of Authorized Positions Per 1,000 Population

Source: Gwinnett County Financial Services

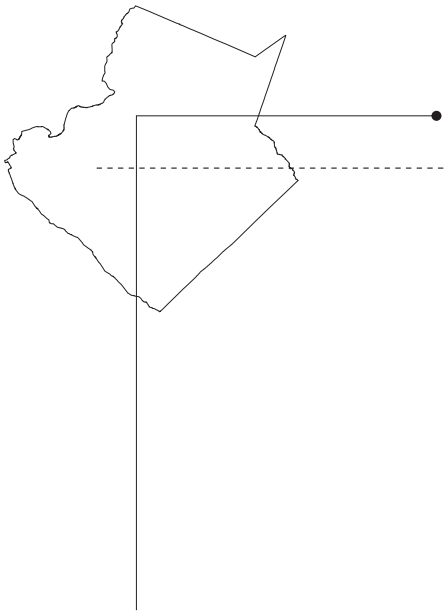


The 2012 budget has been developed within the framework of the County's five-year financial plan. The total budget, including capital funds, is $1,328,336,445. The operating budget is $898,378,833 with a capital budget of $429,957,612. The 2013 – 2017 Capital Plan is $1,044,271,881. In this challenging economic time, the 2012 budget process focused on: funding priority core services, balancing the budget without a tax increase, and completing a comprehensive five-year financial review. In order to meet these goals, the 2012 budget process included a modified zero-based budget method that required all departments and agencies to justify each request for funding. The 2012 budget highlights included a $4.4 million dollar increase in the insurance premium tax distribution from the state of Georgia, no new positions, no employee pay raises, and a continuation of the 90-day job vacancies policy.

In February 2012, the County settled the service delivery strategy (SDS) litigation with the municipalities in the County. The SDS requires the establishment of four new service districts and outlines the funding mechanisms for Fire and Emergency Medical Services; Police Services; Loganville Emergency Medical Services; and Planning, Development, Zoning and Code Enforcement Services. Services which are provided both by some of the municipalities in the County as well as by the County (for unincorporated portions of the County and in the municipalities that do not provide that service), will be considered in establishing County property tax millage rates on property within the municipalities. Beginning in 2012 the County will make a payment to the municipalities, which provide these services, for portions of taxes collected related to the respective services in the respective municipality. Beginning in 2013, the County will establish separate funds, and separate millage rates, in order to provide these services only to the unincorporated areas of the County and within the municipalities which do not provide these services themselves.

Requests For Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government'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, 2011
(in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Cash and cash equivalents	$ 341,011	104,790	445,801	18,044
Investments	371,830	-	371,830	-
Receivables, net of allowance	33,065	32,236	65,301	531
Internal balances	1,752	(1,752)	-	-
Due from other governments	43,075	-	43,075	1,291
Due from primary government	-	-	-	1,991
Inventories	2,264	2,680	4,944	-
Prepaid items	5,875	2,334	8,209	26
Net pension asset	129,353	-	129,353	-
Net OPEB asset	28,123	-	28,123	-
Lease receivable from primary government	-	-	-	94,730
Noncurrent investments	-	34,556	34,556	-
Restricted assets:				
Cash and cash equivalents	-	95,695	95,695	-
Investments	-	54,535	54,535	-
Debt issuance costs	549	5,602	6,151	767
Other assets	-	749	749	-
Capital assets				
Land and construction in progress	739,072	405,526	1,144,598	-
Other capital assets, net of depreciation	1,685,473	3,236,516	4,921,989	1,086
Total assets	3,381,442	3,973,467	7,354,909	118,466
LIABILITIES:				
Accounts payable	60,063	30,645	90,708	3,109
Retainage payable	6,402	2,009	8,411	-
Other accrued payables	5,949	1,529	7,478	695
Customer deposits	-	3,617	3,617	-
Accrued interest payable	1,991	17,641	19,632	-
Due to others	771	222	993	-
Due to other governments	-	-	-	3
Unearned revenue	-	41,438	41,438	56
Noncurrent liabilities:				
Due within one year	18,710	50,658	69,368	2,824
Due in more than one year	152,776	997,582	1,150,358	99,157
Total liabilities	246,662	1,145,341	1,392,003	105,844
NET ASSETS:				
Invested in capital assets, net of related debt	2,277,988	2,598,236	4,876,224	1,044
Restricted for:				
Capital projects	263,893	-	263,893	-
Debt service	28,022	38,926	66,948	-
Special programs	73,384	-	73,384	-
Health programs		-	-	6,805
Unrestricted	491,493	190,964	682,457	4,773
Total net assets	$ 3,134,780	2,828,126	5,962,906	12,622

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

Statement of Activities
Year Ended December 31, 2011
(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	$ 111,630	(13,639)	25,682	1,920	804	(69,585)	-	(69,585)	-
Public safety	192,570	1,055	25,586	1,055	501	(166,483)	-	(166,483)	-
Judiciary	114,896	-	30,193	2,779	-	(81,924)	-	(81,924)	-
Public works	58,060	1,953	6,279	7,187	11,133	(35,414)	-	(35,414)	-
Health and welfare	11,762	-	110	110	-	(11,542)	-	(11,542)	-
Culture and recreation	67,215	2,037	4,480	93	7,755	(56,924)	-	(56,924)	-
Housing and development	17,983	115	7,928	4,861	-	(5,309)	-	(5,309)	-
Tourism	2,044	-	-	-	-	(2,044)	-	(2,044)	-
Development authority	4,367	-	-	-	-	(4,367)	-	(4,367)	-
Interest on long-term debt	2,659	-	-	-	-	(2,659)	-	(2,659)	-
Total governmental activities	583,186	(8,479)	100,258	18,005	20,193	(436,251)	-	(436,251)	-
Business type activities:									
Water and sewer	205,998	7,050	260,226	-	14,989	-	62,167	62,167	-
Airport	2,227	132	866	-	890	-	(603)	(603)	-
Solid waste	39,892	546	41,131	-	-	-	693	693	-
Storm water	31,251	553	30,494	178	1,589	-	457	457	-
Transit	18,037	198	5,011	6,427	103	-	(6,694)	(6,694)	-
Total business type activities	297,405	8,479	337,728	6,605	17,571	-	56,020	56,020	-
Total primary government	$ 880,591	-	437,986	24,610	37,764	(436,251)	56,020	(380,231)	-
Component units	$ 47,990	-	7,382	17,122	-	-	-	-	(23,486)
General revenues:									
Property taxes						$ 336,256	-	336,256	-
Sales taxes						134,752	-	134,752	-
Hotel motel taxes						6,567	-	6,567	-
Insurance premium tax						31,518	-	31,518	-
Business taxes						19,243	-	19,243	-
Other taxes						6,956	-	6,956	-
Lease interest income - development authority						-	-	-	4,947
Intergovernmental revenue from primary government, not restricted for specific programs						-	-	-	17,540
Intergovernmental revenue from State of Georgia not restricted for specific programs						-	-	-	500
Investment income						1,998	1,044	3,042	18
Miscellaneous						11,588	-	11,588	191
Total general revenues						548,878	1,044	549,922	23,196
Transfers						(5,161)	5,161	-	-
Total general revenues and transfers						543,717	6,205	549,922	23,196
Change in net assets						107,466	62,225	169,691	(290)
Net Assets - beginning						3,027,314	2,765,901	5,793,215	12,912
Net Assets - ending						$ 3,134,780	2,828,126	5,962,906	12,622

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

Governmental Funds Balance Sheet December 31, 2011

(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	$ 142,586	39,024	1,721	-	37,040	77,497	297,868
Investments	60,033	37,927	1,967	83,324	141,560	23,497	348,308
Receivables, net of allowance:							
Taxes	20,836	-	-	-	-	2,639	23,475
Accounts	4,360	438	146	1,427	1,100	555	8,026
Due from other governments	26,849	-	-	-	14,065	2,161	43,075
Due from other funds	-	-	-	-	2,811	-	2,811
Inventories	1,382	-	-	-	-	191	1,573
Prepaid items	5,822	-	-	-	12	26	5,860
Total assets	$ 261,868	77,389	3,834	84,751	196,588	106,566	730,996
LIABILITIES AND FUND BALANCES:							
Accounts payable	$ 37,658	1,753	396	4,184	7,626	4,123	55,740
Payroll payable	5,303	-	-	-	-	484	5,787
Retainage payable	-	25	593	2,945	2,551	288	6,402
Other accrued	-	-	45	61	56	-	162
Due to others	683	88	-	-	-	-	771
Due to other funds	-	-	-	2,811	-	-	2,811
Deferred revenue	46,370	30	-	-	-	2,309	48,709
Total liabilities	90,014	1,896	1,034	10,001	10,233	7,204	120,382
Fund balances:							
Nonspendable	7,204	-	-	-	12	217	7,433
Restricted	-	-	2,800	74,750	186,343	99,085	362,978
Committed	-	-	-	-	-	60	60
Assigned	-	75,493	-	-	-	-	75,493
Unassigned	164,650	-	-	-	-	-	164,650
Total fund balance	171,854	75,493	2,800	74,750	186,355	99,362	610,614
Total liabilities and fund balance	$ 261,868	77,389	3,834	84,751	196,588	106,566	730,996

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, 2011

(in thousands of dollars)

Fund balances – total governmental funds		$ 610,614
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		129,353
Net OPEB asset is not recorded on the fund financial statements		28,123
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	2,424,501	
Capital assets used in Internal service funds are reported in the governmental activities column of the governmentwide statement of net assets	44	2,424,545
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Deferred issuance costs		549
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	(51,595)	
Premiums	(232)	
Lease payable to component unit	(94,730)	
Accrued leave	(14,566)	
Estimated claims payable	(10,363)	(171,486)
Revenue deferred in the governmental funds due to availability criteria is susceptible to full accrual on the governmentwide statements		
Property tax	20,140	
Insurance premium tax	26,849	
Public Safety – EMS	1,682	
Other	38	
		48,709
Interest payable on capital lease to component unit is not accrued in the fund statements		(1,991)
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	54,144	
Less capital assets already accounted for above	(44)	
Plus accrued leave already accounted for above	149	
Plus claims payable already accounted for above	10,363	
Less amount due to enterprise funds	1,752	66,364
Net assets of governmental activities		$ 3,134,780

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, 2011

(in thousands of dollars)

	General	Other Capital Projects	2001 Sales Tax	2005 Sales Tax	2009 Sales Tax	Other Governmental Funds	Total
REVENUES:							
Taxes	$ 361,447	-	-	219	134,534	41,067	537,267
Permits and licenses	7,465	-	-	-	-	-	7,465
Intergovernmental	3,217	566	609	2,970	2,309	17,660	27,331
Charges for services	53,025	-	-	-	-	22,489	75,514
Fines and forfeitures	13,400	1	-	-	-	2,032	15,433
Investment income	777	153	237	2,126	1,210	273	4,776
Change in fair market value of investments	298	108	(226)	(374)	357	(3)	160
Miscellaneous	4,969	712	64	227	17	6,461	12,450
Total revenues	444,598	1,540	684	5,168	138,427	89,979	680,396
EXPENDITURES:							
Current operating:							
General government	87,267	-	-	-	-	-	87,267
Public safety	163,109	-	-	-	-	12,288	175,397
Judiciary	114,773	-	-	-	-	1,761	116,534
Public works	13,104	-	-	-	-	6,903	20,007
Health and welfare	11,686	-	-	-	-	63	11,749
Culture and recreation	17,381	-	-	-	-	26,849	44,230
Housing and development	7,890	-	-	-	-	-	7,890
Tourism	-	-	-	-	-	2,044	2,044
Development authority	-	-	-	-	-	6,057	6,057
Grant programs	-	-	-	-	-	14,961	14,961
Capital outlay	73	15,657	5,334	50,410	52,877	6,390	130,741
Debt service	-	-	-	-	-	13,972	13,972
Intergovermental	-	-	-	-	22,041	-	22,041
Total expenditures	415,283	15,657	5,334	50,410	74,918	91,288	652,890
Revenues in excess of (less than) expenditures	29,315	(14,117)	(4,650)	(45,242)	63,509	(1,309)	27,506
OTHER FINANCING SOURCES (USES):							
Transfers in	160	32,136	-	440	11,791	9,239	53,766
Transfers out	(5,574)	-	(11,791)	-	-	(15,293)	(32,658)
Other financing sources (uses), net	(5,414)	32,136	(11,791)	440	11,791	(6,054)	21,108
Net change in fund balances	23,901	18,019	(16,441)	(44,802)	75,300	(7,363)	48,614
Fund balance - January 1	147,953	57,474	19,241	119,552	111,055	106,725	562,000
Fund balance - December 31	$ 171,854	75,493	2,800	74,750	186,355	99,362	610,614

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, 2011

(in thousands of dollars)

Net change in fund balances – total governmental funds		$ 48,614
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	130,741	
Capital Expenditures reclassed as expense	(17,857)	
Depreciation Expense – General Capital Assets	(76,647)	
Adjustment		36,237
Contributions of capital assets are not recorded in governmental funds		8,176
Transfers of capital assets from internal service funds not recorded in governmental funds		9,810
The loss on disposition of capital assets is not reported in the fund statements		(717)
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		11,870
The current years increase to the net pension asset decreases net expenses of pensionable functions on the governmentwide statements		20,352
The current years increase in the net OPEB asset decreases net expenses of the functions on the governmentwide statements		8,357
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 governmentwide statements and amortized as follows:		
Amortization of deferred issuance costs		(46)
Amortization of deferred premium (discount) on bonds		37
Accrued interest payable is not included on the fund financial statements		(572)
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		1,690
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.		(37,087)
Accrued expenses related to compensated absences are not reported in the fund statements		1,036
Some revenue earned is deferred in the governmental funds due to availability criteria.		(291)
Change in net assets of governmental activities		$ 107,466

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, 2011

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance-positive (negative)
REVENUES:				
Taxes	$ 332,842	339,972	361,447	21,475
Permits and licenses	7,989	7,703	7,465	(238)
Intergovernmental	2,772	3,025	3,217	192
Charges for service	48,325	55,141	53,025	(2,116)
Fines and forfeitures	14,299	12,811	13,400	589
Investment income	189	438	777	339
Miscellaneous	4,081	4,597	4,969	372
Total revenues	410,497	423,687	444,300	20,613
EXPENDITURES:				
Current operating:				
General government:				
County administrator	4,721	4,069	4,069	-
Law	908	1,788	1,788	-
Support services	8,082	7,964	7,964	-
Information technology	24,481	21,561	21,561	-
Financial services	12,554	12,206	12,194	12
Human resources	2,853	2,518	2,518	-
Tax commissioner	9,039	8,461	8,461	-
Total general government	62,638	58,567	58,555	12
Public safety:				
Police services	81,585	75,682	75,682	-
Correctional services	12,552	11,426	11,426	-
Fire and emergency services	76,046	70,626	70,626	-
Total public safety	170,183	157,734	157,734	-
Judiciary:				
Courts	28,333	34,428	34,419	9
District attorney	7,859	7,684	7,684	-
Probation	8	8	8	-
Sheriff	67,418	66,643	66,643	-
Solicitor	3,784	3,159	3,159	-
Recorders	1,177	1,294	1,294	-
Total judiciary	108,579	113,216	113,207	9
Public works	14,480	12,766	12,757	9
Health and welfare:				
Physical health	1,490	1,490	1,490	-
Indigent medical care	225	225	225	-
Various subsidized agencies	1,587	1,971	1,971	-
General community services	7,132	5,672	5,672	-
Total health and welfare	10,434	9,358	9,358	-
Culture and recreation:				
Library	16,930	16,890	16,890	-
Total culture and recreation	16,930	16,890	16,890	-
Housing and development:				
Planning and development	7,054	6,001	6,000	1
Total housing and development	7,054	6,001	6,000	1
Miscellaneous	34,656	40,910	40,782	128
Total expenditures	424,954	415,442	415,283	159
Revenues in excess (less than) of expenditures	(14,457)	8,245	29,017	20,772
OTHER FINANCING SOURCES (USES):				
Transfers in	90	160	160	-
Transfers out	(23,631)	(5,574)	(5,574)	-
Other financing sources (uses), net	(23,541)	(5,414)	(5,414)	-
Revenues and other financing sources less than expenditures and other financing	(37,998)	2,831	23,603	20,772
Fund balance allocation	37,998	(2,831)	-	2,831
Fund balance - January 1			148,247	148,247
Fund balance - December 31	$ -	-	171,850	171,850

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

Proprietary Funds
Statement of Net Assets
December 31, 2011
(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	$ 50,028	31,009	23,753	104,790	43,143
Investments	-	-	-	-	23,522
Receivables, net of allowance:					
Accounts	27,007	1,916	3,313	32,236	1,564
Inventories	2,680	-	-	2,680	691
Prepaid items	2,301	33	-	2,334	15
Total current assets	82,016	32,958	27,066	142,040	68,935
Noncurrent assets:					
Investments	-	-	34,556	34,556	-
Restricted assets:					
Cash and cash equivalents	95,695	-	-	95,695	-
Investments	54,535	-	-	54,535	-
Total restricted assets	150,230	-	-	150,230	-
Land and construction in progress	385,396	5,505	14,625	405,526	-
Other capital assets, net of depreciation	2,787,175	414,296	35,045	3,236,516	44
Debt issuance costs	5,602	-	-	5,602	-
Other assets	749	-	-	749	-
Total noncurrent assets	3,329,152	419,801	84,226	3,833,179	44
Total assets	3,411,168	452,759	111,292	3,975,219	68,979
LIABILITIES:					
Current liabilities:					
Accounts payable	22,071	2,918	5,656	30,645	4,323
Payroll payable	1,012	127	387	1,526	-
Retainage payable	1,929	36	44	2,009	-
Other accrued	-	-	3	3	-
Estimated claims payable - current	-	-	-	-	4,157
Due to others	-	222	-	222	-
Notes payable - current	2,134	205	-	2,339	-
Accumulated leave benefits - current	943	100	27	1,070	93
Unearned revenue	92	-	41,346	41,438	-
Total current liabilities	28,181	3,608	47,463	79,252	8,573
Noncurrent liabilities:					
Payable from restricted assets:					
Customer deposits	3,617	-	-	3,617	-
Accrued interest	17,641	-	-	17,641	-
Revenue bonds payable - current	47,249	-	-	47,249	-
Total payable from restricted assets	68,507	-	-	68,507	-
Notes payable - noncurrent	47,671	5,093	-	52,764	-
Revenue bonds payable - noncurrent	944,177	-	-	944,177	-
Estimated claims payable - noncurrent	-	-	-	-	6,206
Accumulated leave benefits - noncurrent	564	60	17	641	56
Total noncurrent liabilities	992,412	5,153	17	997,582	6,262
Total liabilities	1,089,100	8,761	47,480	1,145,341	14,835
NET ASSETS:					
Invested in capital assets, net of related debt	2,134,063	414,503	49,670	2,598,236	44
Restricted for debt service	38,926	-	-	38,926	-
Unrestricted	149,079	29,495	14,142	192,716	54,100
Total net assets	$ 2,322,068	443,998	63,812	2,829,878	54,144
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.				(1,752)	
Net assets of business type activities				$ 2,828,126	

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, 2011

(in thousands of dollars)

	Enterprise Funds				
	Water and Sewerage	Storm Water	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES:					
Residential and commercial service	$ 248,280	-	-	248,280	-
Wholesale service	6,445	-	-	6,445	-
Public fire protection charges	652	-	-	652	-
Connection charges	373	-	-	373	-
Operating lease income and rental income from individual hangars	-	-	833	833	-
Charges to other funds	-	-	-	-	40,660
Employee contributions	-	-	-	-	8,856
Intergovernmental	1,667	1,137	7,420	10,224	-
User fees and charges	-	30,494	45,623	76,117	-
Miscellaneous	4,476	-	552	5,028	291
Total operating revenues	261,893	31,631	54,428	347,952	49,807
OPERATING EXPENSES:					
Water production	15,860	-	-	15,860	-
Distribution and collection	29,261	-	-	29,261	-
Engineering	4,823	-	-	4,823	-
Reclamation	28,199	-	-	28,199	-
Vehicle maintenance and repair	-	-	-	-	1,225
Benefit claims	-	-	-	-	19,881
Insurance premiums	-	-	-	-	20,463
Depreciation and amortization	69,387	20,094	4,631	94,112	18
Transit operations	-	-	14,323	14,323	-
General and administrative	28,185	10,146	40,915	79,246	13,670
Total operating expenses	175,715	30,240	59,869	265,824	55,257
Operating income (loss)	86,178	1,391	(5,441)	82,128	(5,450)
NONOPERATING REVENUES (EXPENSES):					
Interest income	507	42	284	833	370
Investment income	35	-	176	211	22
Interest expense	(31,530)	(107)	-	(31,637)	-
Contributions to governmental activities	-	-	-	-	(9,810)
Loss on disposal of capital assets	(4,385)	(1,233)	(849)	(6,467)	-
Total nonoperating revenues (expenses)	(35,373)	(1,298)	(389)	(37,060)	(9,418)
Income (loss) before transfers and contributions	50,805	93	(5,830)	45,068	(14,868)
Capital contributions	15,416	630	-	16,046	-
Transfers in	-	430	2,727	3,157	-
Transfers out	(90)	-	-	(90)	(24,175)
Change in net assets	66,131	1,153	(3,103)	64,181	(39,043)
Net assets - January 1	2,255,937	442,845	66,915		93,187
Net assets - December 31	$ 2,322,068	443,998	63,812		54,144
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(1,956)	
Change in net assets of business type activities				$ 62,225	

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

Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2011
(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	$ 263,271	31,837	55,045	350,153	50,435
Cash payments to suppliers for goods and services	(78,857)	(5,883)	(53,747)	(138,487)	(16,494)
Cash payments to employees for services	(35,611)	(4,340)	(621)	(40,572)	(3,090)
Claims and premiums paid	-	-	-	-	(41,374)
Net cash flows provided/(required) by operating activities	148,803	21,614	677	171,094	(10,523)
Cash flows from noncapital financial activities:					
Transfers from other funds	-	430	2,727	3,157	-
Transfers (to) other funds	(90)	-	-	(90)	(24,175)
Net cash provided/(required) by noncapital activities	(90)	430	2,727	3,067	(24,175)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(73,002)	(13,590)	(250)	(86,842)	111
Proceeds from revenue bonds	189,717	-	-	189,717	-
Payment of debt issuance costs	(844)	-	-	(844)	-
Proceeds from notes payable	792	78	-	870	-
Proceeds from sale of assets	96	11	-	107	-
Principal payments - revenue bonds	(45,305)	-	-	(45,305)	-
Defeasance of revenue bonds	(188,873)	-	-	(188,873)	-
Principal payments - notes payable	(2,181)	(134)	-	(2,315)	-
Interest paid	(42,300)	(106)	-	(42,406)	-
Capital contributed by others	5,754	28	-	5,782	-
Payments of contract retention	(9,014)	-	-	(9,014)	-
Contract retainage withheld	2,633	-	-	2,633	-
Net cash provided/(required) by capital and related financing activities	(162,527)	(13,713)	(250)	(176,490)	111
Cash flows from investing activities:					
Sale of investments	(48,000)	-	-	(48,000)	21,479
Purchase of investments	125,764	-	(21,494)	104,270	-
Interest on investments	542	42	284	868	392
Net cash provided/(required) by investing activities	78,306	42	(21,210)	57,138	21,871
Net increase (decrease) in cash and cash equivalents	64,492	8,373	(18,056)	54,809	(12,716)
Cash and cash equivalents at beginning of year	81,231	22,636	41,809	145,676	55,859
Cash and cash equivalents at end of year	$ 145,723	31,009	23,753	200,485	43,143
Reconciliation of operating income to net cash provided by operating activities:					
Cash flows from operating activities:					
Operating income (loss)	$ 86,178	1,391	(5,441)	82,128	(5,450)
Adjustments to reconcile operating income (loss) to net cash provided/ (required) by operating activities					
Depreciation and amortization	69,387	20,094	4,631	94,112	18
Change in assets and liabilities:					
(Increase) decrease in receivables	(167)	202	18	53	(1,028)
(Increase) decrease in inventories	35	-	-	35	(82)
(Increase) decrease in prepaid items	824	(19)	-	805	(11)
Increase (decrease) in payables	(8,972)	198	527	(8,247)	(4,596)
Increase (decrease) in due from others	1,551	4	599	2,154	1,656
Increase (decrease) in other liabilities	-	-	343	343	(1,030)
Increase (decrease) in due to others	(47)	(225)	-	(272)	-
Increase (decrease) in deferred revenue	(18)	-	-	(18)	-
Increase (decrease) in payroll payables	20	(31)	-	(11)	-
Increase (decrease) in customer deposits	12	-	-	12	-
Net cash provided/(required) by operating activities	$ 148,803	21,614	677	171,094	(10,523)
Non cash capital contributed by others	$ 9,662	602	-	10,264	-

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

Fiduciary Funds – Statement of Fiduciary Net Assets December 31, 2011

(in thousands of dollars)

	Agency Funds	Pension (and Other Employee Benefit) Trust Funds
ASSETS:		
Cash and cash equivalents	$ 35,160	22,998
Investments, at fair value:		
US governmental treasuries	-	105,734
Asset backed securities	-	855
US governmental agencies	-	52,561
Commercial mortgage backed securities	-	16,788
Future contracts	-	(498)
Corporate bonds	-	60,833
Collateralized mortgage obligations	-	10,368
Corporate equities	-	263,546
Taxable municipal bonds	-	13,923
International equities	-	84,293
Mutual funds invested in equities	-	35,660
Total investments	-	644,063
Securities lending collateral investment pool	-	113,493
Contributions receivable from employer	-	34,482
Prepaid Assets	-	3,562
Taxes receivable	38,071	-
Total	$ 73,231	818,598
LIABILITIES:		
Accounts payable	$ -	2,288
Liability for securities lending agreement	-	113,493
Due to others	73,231	-
Total	$ 73,231	115,781
Net assets held in trust for pension		634,700
Net assets held in trust for other employee benefits		68,117
Total		$ 702,817

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, 2011
(in thousands of dollars)

ADDITIONS		
Contributions:		
Employer	$	88,376
Employee		13,564
Total contributions		101,940
Investment income:		
Investment income (loss)		(4,504)
Securities lending income		114
Interest and dividends		16,875
		12,485
Less – Investment expense		(2,975)
Securities lending expense		(21)
Net investment income		9,489
Total additions		111,429
DEDUCTIONS		
Benefits paid		49,576
Insurance premiums		4,697
Administrative expenses		1,141
Total deductions		55,414
Net increase		56,015
Net assets held in trust for pension and other employee benefits:		
Beginning of year		646,802
End of year	$	702,817

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

Component Units Combining Statement of Net Assets December 31, 2011

(in thousands of dollars)

	Public Library	Development Authority	Health Department	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 8,110	777	9,157	18,044
Receivables, net of allowance	441	-	90	531
Lease receivable from primary government, current portion	-	2,150	-	2,150
Due from primary government	-	1,991	-	1,991
Due from other governments	-	-	1,291	1,291
Prepaid assets	-	-	26	26
Total current assets	8,551	4,918	10,564	24,033
Non-current assets:				
Lease receivable from primary government	-	92,580	-	92,580
Capital assets				
Other capital assets, net of depreciation	500	-	586	1,086
Debt issuance costs	-	767	-	767
Total noncurrent assets	500	93,347	586	94,433
Total assets	9,051	98,265	11,150	118,466
LIABILITIES:				
Current liabilities:				
Accounts payable	483	1,991	635	3,109
Unearned revenue	-	-	56	56
Due to other governments	-	-	3	3
Accrued salaries & related payments	695	-	-	695
Total current liabilities	1,178	1,991	694	3,863
Noncurrent liabilities:				
Due within one year	71	2,150	603	2,824
Due in more than one year	940	98,040	177	99,157
Total noncurrent liabilities	1,011	100,190	780	101,981
Total liabilities	2,189	102,181	1,474	105,844
NET ASSETS:				
Invested in capital assets, net of related debt	458	-	586	1,044
Restricted – health programs	-	-	6,805	6,805
Unrestricted	6,404	(3,916)	2,285	4,773
Total net assets (deficit)	$ 6,862	(3,916)	9,676	12,622

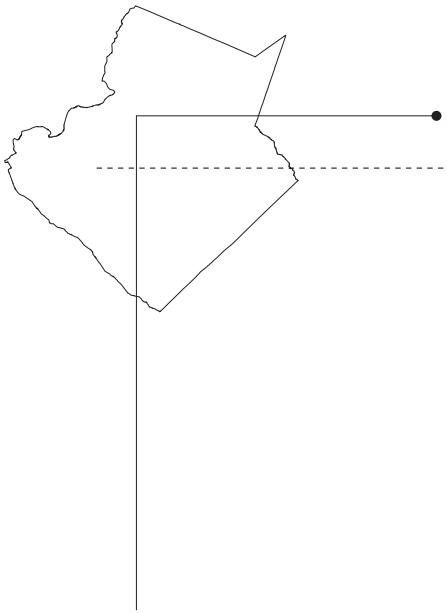
The notes to the financial statements are an integral part of this statement.

Component Units Combining Statement of Activities Year Ended December 31, 2011

(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	Development Authority Total	Health Department Total	Totals
Public library	$ 20,642	1,544	787	-	(18,311)	-	-	(18,311)
Development authority	4,610	58	-	-	-	(4,552)	-	(4,552)
Health department	22,738	5,780	16,335	-	-	-	(623)	(623)
Total component units	$ 47,990	7,382	17,122	-	(18,311)	(4,552)	(623)	(23,486)
General Revenues:								
Lease interest income - development authority					-	4,947	-	4,947
Intergovernmental revenue from primary government, not restricted for specific programs					17,540	-	-	17,540
Intergovernmental revenue from State of Georgia, not restricted for specific programs					500	-	-	500
Investment income					10	8	-	18
Miscellaneous items					-	-	191	191
Total general revenues					18,050	4,955	191	23,196
Change in net assets					(261)	403	(432)	(290)
Net Assets (Deficits) - beginning					7,123	(4,319)	10,108	12,912
Net Assets (Deficits) - ending					$ 6,862	(3,916)	9,676	12,622

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 No. 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 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, 2011, the authority had no assets, liabilities, or fund equity. In addition, during 2011, 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. At December 31, 2011, the authority had no assets, liabilities, or fund equity. In addition, during 2011, the authority had no revenues or expenses.

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. At December 31, 2011, the authority had no assets, liabilities, or fund equity. In addition, during 2011, the authority had no revenues or expenses.

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, 2011, the authority had no assets, liabilities, or fund equity. In addition, during 2011, the authority had no revenues or expenses.

Complete financial statements and/or audit reports 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, 2011.

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 **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 No. 14. The Board of Health consists of seven members. Two members are appointed by the City of Lawrenceville. 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 9 percent of the board's total financing sources and revenues during its fiscal year ended June 30, 2011. 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, 2011. Complete financial statements may be obtained at the following address:

Bull & Bull, P.C.
Certified Public Accountants
459 Boulevard, N.E.
Gainesville, GA 30501

Related Organizations

The **Housing Authority of Gwinnett County** (the "Housing Authority") is considered a related organization based upon the criteria in GASB Statement No. 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 No. 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 No. 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 Commission (RC) is required by *O.C.G.A. §50-8-34,* which provides for the organization structure of the RC in Georgia. The County paid dues in the amount of $763,800 to the ARC for the year ended December 31, 2011. The RC 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 RC. Complete financial statements of the RC 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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges

provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not 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 30 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 No. 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 2011, the County has recorded a $26.8 million receivable and deferred revenue for insurance premium tax due from the state of Georgia for taxes collected in 2011 which will be paid to the County in 2012. The County has recorded a $20.1 million receivable and deferred revenue for property taxes levied in 2011 and prior years, but expected to be collected in 2012 (adjusted for an allowance for doubtful accounts). The County also recorded a $1.7 million receivable and deferred revenue for emergency medical services for services provided in 2011, but expected to be collected in 2012 (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 No. 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 **2001 Sales Tax Fund** accounts for the financial resources provided from the 2001 1 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 1 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 1 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 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.

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 U.S. government; obligations insured or guaranteed by the U.S. government or a U.S. government agency; obligations of any U.S. 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 State Treasurer 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 U.S. 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; held in non-interest bearing checking accounts insured by the Federal Deposit Insurance Corporation (FDIC); or maintained in fully collateralized, interest-bearing 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, collateralized mortgage obligations, asset and mortgage backed securities, taxable bonds that are obligations of any state and its agencies, instrumentalities, and political subdivisions, and in certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations. Additionally, 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 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 2011, $9,828,053 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 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, has 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 type's 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, Group Insurance, and Auto Liability Funds (Internal Service Funds) 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 Balance

In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," the County established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners currently has the authority to assign fund balances.

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. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

O. Net Assets

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

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

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.

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 the established Judicial Reserve to appropriate departments within the judicial system as required;

   (c) allocate funds from the established Medical Reserve to various funds/departments when required to cover medical expenditures;

   (d) allocate funds from the established Indigent Defense Reserve to appropriate departments for required indigent defense expenditures;

   (e) allocate funds from the established Court Reporter Reserve to appropriate departments for required expenditures;

(f) allocate funds from the established Court Interpreter Reserve to appropriate departments for required expenditures;

(g) allocate funds from the established Inmate Housing Reserve to appropriate departments for required expenditures;

(h) allocate funds from the established Fuel/Parts Reserve as required;

(i) 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;

(j) adjust revenue and appropriation budget between capital projects as necessary to incorporate grant awards previously approved by the Board of Commissioners;

(k) 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/expenditures in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;

(l) adjust revenue and appropriation budgets to incorporate collected revenue at the capital fund contingency project, and project specific levels.

The Deputy County Administrator/Chief Financial Officer to:

(a) transfer funds from departments under his/her direct authority so long as the total budget for the administrative departments is not increased;

(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) transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities;

(d) transfer appropriations within a capital fund from an Information Technology contingency/reserve to establish new projects/initiatives for amounts up to $100,000.

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) allocate funds from established Operational Efficiency Reserves as required;

(d) 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 fixed 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 expenditures 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, 2011, was amended through supplemental appropriations as follows (in thousands of dollars):

	Original Appropriation Budget	Increase/(Decrease) In Appropriation	Amended Appropriation Budget
General Fund	$ 448,585	$ (27,569)	$ 421,016
Special Revenue Funds*	65,962	7,582	73,544
Debt Service Fund	13,972	–	13,972
Capital Projects Funds	227,155	(69,045)	158,110

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	Capital Projects
GAAP basis fund balance	$ 171,854	$ 68,914	$ 27,493	$ 339,398
GASB 31 market adjustments	(4)	7	–	(1,967)
Budget basis	$ 171,850	$ 68,921	$ 27,493	$ 337,431

** 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, 2011 (in thousands of dollars):

	Unrestricted	Restricted	Agencies	Pension and Other Employee Trust Funds	Primary Government Total
Cash and Equivalents	$ 445,801	$ 95,695	$ 35,160	$ 22,998	$ 599,654
Investments	406,386	54,535	–	644,063	1,104,984
Total	$ 852,187	$ 150,230	$ 35,160	$ 667,061	$ 1,704,638

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 U.S. government, or bonds of public authorities, counties, or municipalities.

On December 31, 2011, 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 5 percent of investments.

As of December 31, 2011, the County's credit and interest rate risk related to the County's cash equivalents and investments, other than certificates of deposit classified as investments, is as follows:

Investment	(Market Value) Fair Value	Duration (Years)	Credit Quality
Federal Agency Securities	$ 288,652,893	1.04	–
Federal Mortgage Backed Securities	38,314,582	0.77	–
Treasury Securities	26,427,154	0.73	AAA
State of Georgia GA 1	364,886,556	0.164	AAAm
State of Georgia Georgia Fund 1 Bonds	41,649,062	0.164	AAAm
Total Cash Equivalents and Investments	$ 759,930,247		

Pension Trust Fund Investments

As of December 31, 2011, the Pension Trust Fund had $583,233,000 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	$ 95,748	–
U.S. Government Agencies	47,597	–
Asset Backed Securities	774	**AAA**
Commercial Mortgage Backed Securities	9,702	**AAA**
Commercial Mortgage Backed Securities	937	**AA**
Commercial Mortgage Backed Securities	252	**A**
Commercial Mortgage Backed Securities	408	**BAA**
Commercial Mortgage Backed Securities	3,903	–
Collaterized Mortgage Obligation	1,470	**AAA**
Collaterized Mortgage Obligation	745	–
Collaterized Mortgage Obligation	3,134	–
Collaterized Mortgage Obligation	4,040	–
Futures Contracts	(451)	–
Corporate Bonds	7,149	**AA**
Corporate Bonds	19,379	**A**
Corporate Bonds	27,316	**BAA**
Corporate Bonds	1,243	–
Taxable Municipal Bonds	12,608	–
Corporate Equities	238,655	–
International Equities	76,332	–
Mutual Funds invested in Equities	32,292	–
Total	$ 583,233	

Credit Risk – 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 5 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. U.S. 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, 2011, 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 5 percent of plan net assets.

As of December 31, 2011, the Pension Trust Fund had $583,233,000 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	$ 95,748	8.42
Asset Backed Securities	774	5.29
U.S. Governmental Agencies	47,597	27.50
Commercial Mortgage Backed Securities	15,202	31.82
Futures Contracts	(451)	0.25
Corporate Bonds	55,087	10.33
Collaterized Mortgage Obligations	9,389	16.41
Corporate Equities	238,655	–
Taxable Municipal Bonds	12,608	9.44
International Equities	76,332	–
Mutual Funds invested in Equities	32,292	–
Total	$ 583,233	

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, 2011, the Fixed Income Assets had an effective duration of 4.47 years compared to the Barclays Capital U.S. Aggregate of 4.40 years. The weighted average yield to maturity of the Portfolio was 2.17 percent compared to the Barclays Aggregate of 1.86 percent. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

Foreign Currency Risk – At December 31, 2011, $76,332,000 or 13 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	$ 2,943
British Pound	40,248
Canadian Dollar	7,718
US Dollar Invested in mutual funds with only international equity holdings	25,423
Total	$ 76,332

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.

Derivative Instruments – The Pension Trust Fund has invested in several futures contracts which qualify as derivative financial instruments. The futures contracts are considered investment derivative instruments.

These future contracts are exchange-traded securities to buy or sell United States Treasuries at a future date (March 2012 in the case of these contracts) for a specific price. These futures contracts obligate the Pension Trust Fund to purchase United States Treasury Notes with a notional amount of $77,256,000 on the maturity date in March 2012 while the Pension Trust Fund also has futures contracts obligating it to sell United States Treasury Notes with a notional amount of $55,660,000 on the maturity date in March 2012. These contracts had no significant value when entered into during 2011 and the change in the fair value is a decrease of $451,000 resulting in a net fair value balance of these contacts at December 31, 2011 of a negative $451,000.

The fair values of the futures contracts were estimated using market rates as of year end for similarly traded contracts and, in order to limit credit risk, these contracts were entered into with national financial institutions with high credit quality. Interest rate risk is minimized due to the relatively short maturity date of these contracts as they mature in March 2012.

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 Plan for investment without default.

Cash collateral is invested in overnight investments. At year end, the Plan 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, 2011, the OPEB Trust Fund had $60,830,000 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	$ 9,986	–
U.S. Government Agencies	4,964	–
Asset Backed Securities	81	**AAA**
Commercial Mortgage Backed Securities	1,012	**AAA**
Commercial Mortgage Backed Securities	98	**AA**
Commercial Mortgage Backed Securities	26	**A**
Commercial Mortgage Backed Securities	43	**BAA**
Commercial Mortgage Backed Securities	407	–
Collaterized Mortgage Obligation	153	**AAA**
Collaterized Mortgage Obligation	78	–
Collaterized Mortgage Obligation	327	–
Collaterized Mortgage Obligation	421	–
Futures Contracts	(47)	–
Corporate Bonds	746	**AA**
Corporate Bonds	2,021	**A**
Corporate Bonds	2,849	**BAA**
Corporate Bonds	130	–
Taxable Municipal Bonds	1,315	–
Corporate Equities	24,891	–
International Equities	7,961	–
Mutual Funds invested in Equities	3,368	–
Total	$ 60,830	

Credit Risk – 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 5 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, 2011, 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 5 percent of plan net assets.

As of December 31, 2011, the OPEB Trust Fund had $60,830,000 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	$ 9,986	8.42
Asset Backed Securities	81	5.29
U.S. Governmental Agencies	4,964	27.50
Commercial Mortgage Backed Securities	1,586	31.82
Futures Contracts	(47)	0.25
Corporate Bonds	5,746	10.33
Collaterized Mortgage Obligations	979	16.41
Taxable Municipal Bonds	1,315	9.44
Corporate Equities	24,891	–
International Equities	7,961	–
Mutual Funds invested in Equities	3,368	–
Total	$ 60,830	

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, 2011, the Fixed Income Assets had an effective duration of 4.47 years compared to the Barclays Capital U.S. Aggregate of 4.40 years. The weighted average yield to maturity of the Portfolio was 2.17 percent compared to the Barclays Aggregate of 1.86 percent. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

Foreign Currency Risk – At December 31, 2011, $7,961,000 or 13 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	$ 307
British Pound	4,198
Canadian Dollar	805
US Dollar Invested in Mutual Funds with only international equity holdings	2,651
Total	$ 7,961

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.

Derivative Instruments – The OPEB Trust Fund has invested in several futures contracts which qualify as derivative financial instruments. The futures contracts are considered investment derivative instruments.

These future contracts are exchange-traded securities to buy or sell United States Treasuries at a future date (March 2012 in the case of these contracts) for a specific price. These futures contracts obligate the OPEB Trust Fund to purchase United States Treasury Notes with a notional amount of $8,051,000 on the maturity date in March 2012 while the OPEB Trust Fund also has futures contracts obligating it to sell United States Treasury Notes with a notional amount of $5,801,000 on the maturity date in March 2012. These contracts had no significant value when entered into during 2011 and the change in the fair value is a decrease of $47,000 resulting in a net fair value balance of these contacts at December 31, 2011 of a negative $47,000.

The fair values of the futures contracts were estimated using market rates as of year end for similarly traded contracts and, in order to limit credit risk, these contracts were entered into with national financial institutions with high credit quality. Interest rate risk is minimized due to the relatively short maturity date of these contracts as they mature in March 2012.

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 assessed values of all real property including mobile homes and motor vehicles located in the County. The assessed value at January 1, 2011, upon which the 2011 levy was based, was the taxable assessed value of $24,986,438,371 (40 percent of the estimated actual taxable value of $62,466,095,928).

The final 2011 millage rate of $13.02 includes a rate of $11.78 for general purposes, $.24 mills for general obligation bonds, and $1.00 mills for recreation purposes.

Property taxes for fiscal year 2011 are due in a single installment on November 15.

Levy Date	January 1, 2011
Tax bills mailed by	September 15, 2011
Payment due dates	November 15, 2011
Delinquency dates	November 16, 2011
Approximate lien date	March 16, 2012

Note 5.

Allowances For Uncollectible Receivables

Allowances for uncollectible receivables at December 31, 2011 are as follows (in thousands of dollars):

Taxes receivable:	
General Fund	$ 2,815
Other Governmental Funds	310
	$ 3,125
Accounts receivable:	
General Fund	$ 20,640
Water and Sewerage Fund	7,636
Stormwater Fund	323
Other Enterprise Funds	439
	$ 29,038

Note 6.

Due From Other Governments

The total amount due from other governments as of December 31, 2011, is $43,075,000. A total of $26,849,000 is due from the state of Georgia for insurance premium tax collected by the state in 2011, but not yet paid to the County. This amount was estimated using the amount received for 2010 and adjusting it for the change in the state's distribution formula based on the County's population. A total of $14,065,000 is due from the state for sales tax. The remaining $2,161,000 is due from various grant agencies.

Note 7.

Capital Assets

The County's Capital Asset activity for the year ended December 31, 2011 was as follows (in thousands of dollars):

Primary Government

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
Governmental activities:				
Capital assets, not being depreciated: land	$ 670,331	6,030	41,448	634,913
Construction in progress	114,139	103,751	113,731	104,159
Total capital assets, not being depreciated	784,470	109,781	155,179	739,072
Capital assets, being depreciated:				
Land Improvements	340,457	34,906	109	375,254
Buildings	688,214	6,816	1,460	693,570
Equipment	162,661	12,493	11,037	164,117
Vehicles	75,702	10,904	2,638	83,968
Infrastructure	915,462	101,193	–	1,016,655
Total capital assets being depreciated	2,182,496	166,312	15,244	2,333,564
Less accumulated depreciation for:				
Land Improvements	75,591	13,176	222	88,545
Buildings	130,515	16,024	811	145,728
Equipment	99,745	17,574	10,993	106,326
Vehicles	42,650	8,600	2,573	48,677
Infrastructure	237,486	21,290	(39)	258,815
Total accumulated depreciation	585,987	76,664	14,560	648,091
Total capital assets, being depreciated, net	1,596,509	89,648	684	1,685,473
Governmental-type activities capital assets, net	$ 2,380,979	199,429	155,863	2,424,545

	Balance January 1, 2011	Increases	Decreases	Balance December 31,2011
Business-type activities:				
Capital assets, not being depreciated: land	$ 73,075	13	–	73,088
Construction in progress	287,739	95,533	50,834	332,438
Total capital assets, not being depreciated	360,814	95,546	50,834	405,526
Capital assets, being depreciated:				
Buildings	687,540	1,038	648	687,930
Improvements	2,974,618	42,749	4,960	3,012,407
Equipment	427,407	18,200	9,270	436,337
Vehicles	53,694	166	463	53,397
Infrastructure	713	–	–	713
Total capital assets being depreciated	4,143,972	62,153	15,341	4,190,784
Less accumulated depreciation for:				
Buildings	113,733	14,991	189	128,535
Improvements	522,818	45,671	2,520	565,969
Equipment	207,430	29,965	5,667	231,728
Vehicles	23,806	4,636	460	27,982
Infrastructure	36	18	–	54
Total accumulated depreciation	867,823	95,281	8,836	954,268
Total capital assets, being depreciated, net	3,276,149	(33,128)	6,505	3,236,516
Business-type activities capital assets, net	$ 3,636,963	62,418	57,339	3,642,042

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

Governmental Activities:	
General Government	$ 10,164
Public Safety	15,773
Judiciary	4,130
Public Works	27,263
Culture and Recreation	18,942
Housing and Development	392
Total depreciation expense – governmental activities	$ 76,664

Business-Type Activities:	
Water and Sewerage	$ 70,556
Airport	673
Solid Waste	174
Stormwater	20,094
Transit	3,784
Total depreciation expense – business-type activities	$ 95,281

Construction and other Commitments

The County has active construction projects and other commitments as of December 31, 2011. At year-end the County's commitments with contractors are as follows (in thousands of dollars):

Contract Value	$ 1,058,471
Spent-to-Date	720,891
Remaining Commitments	$ 337,580

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, 2011:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	$ 2,442	115	(7)	$ 2,550
Less accumulated depreciation	1,832	225	(7)	2,050
Net Capital Assets	$ 610	(110)	–	$ 500

The Board of Health's (discretely presented component unit) capital assets reflected activity as follows (in thousands of dollars) for the year ended June 30, 2011:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	$ 1,825	192	–	$ 2,017
Less accumulated depreciation	1,277	154	–	1,431
Net capital assets	$ 548	38	–	$ 586

Note 8.

Long-term Obligations

The following is a summary of changes in long-term obligations for the year ended December 31, 2011, (in thousands of dollars):

Governmental Activities:	January 1, 2011	Additions	Retirements	December 31, 2011	Amounts due within one year
Group:					
General obligation bonds	63,465	–	(11,870)	51,595	3,380
Less: deferred amounts for issuance premiums	269	–	(37)	232	–
Total bonds payable	$ 63,734	–	(11,907)	51,827	3,380
Lease Payable	96,420	–	(1,690)	94,730	2,150
Accumulated leave benefits	15,600	10,795	(11,829)	14,566	9,023
Estimated claims payable	11,394	21,072	(22,103)	10,363	4,157
Total Governmental activity Long-term liabilities	$ 187,148	31,867	(47,529)	171,486	18,710
Business-Type Activities:					
Notes payable	56,548	870	(2,315)	55,103	2,339
Revenue bonds	1,021,565	163,615	(215,665)	969,515	47,249
Less: deferred amounts for issuance premiums (discounts and loss)	16,659	14,219	(8,967)	21,911	–
Total bonds payable	$ 1,038,224	177,834	(224,632)	991,426	47,249
Accumulated leave benefits	1,916	1,377	(1,582)	1,711	1,070
Total Business-type activity Long-term liabilities	$ 1,096,688	180,081	(228,529)	1,048,240	50,658

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, $149,000 of internal service fund accumulated leave benefits and $10,363,000 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, 2011, 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	10/23/02	1/1/11	$ 61,740	$ 61,740	$ –
2003 General Obligation	2.0 – 4.0	1/1 – 7/1	6/25/03	1/1/23	75,000	23,405	51,595
					$ 136,740	$ 85,145	$ 51,595

Revenue Bonds

The County also issues bonds where the County pledges income derived from the acquired or constructed assets to pay debt service.

The Revenue Bonds are related to proprietary activity and are reported in the Enterprise Funds as they are expected to be repaid from Enterprise Funds revenues. Revenue Bonds outstanding, as of December 31, 2011, are as follows (in thousands of dollars):

	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
Business Type							
2002 Water and Sewerage	4.0 – 5.25	2/1 – 8/1	5/1/02	8/1/12	120,000	118,000	2,000
2003B Water and Sewerage Refunding	4.75 – 5.0	2/1 – 8/1	6/5/03	8/1/25	200,000	179,760	20,240
2005 Water and Sewerage Refunding	3.0 – 4.5	2/1 – 8/1	3/17/05	8/1/22	259,600	26,400	233,200
2006 Water and Sewerage Refunding	3.75 – 4.5	2/1 – 8/1	3/9/06	8/1/25	121,375	2,390	118,985
2008 Water and Sewerage	4.0 – 5.0	2/1 – 8/1	8/21/08	8/1/28	190,000	–	190,000
2009A Water and Sewerage	1.87 – 4.0	2/1 – 8/1	10/22/09	8/1/28	235,575	18,055	217,520
2009B Water and Sewerage	5.35 – 5.45	2/1 – 8/1	10/22/09	8/1/29	23,955	–	23,955
2011 Water and Sewerage Refunding	5.0	2/1 – 8/1	7/1/11	8/1/25	163,615	–	163,615
					$ 1,314,120	$ 344,605	$969,515
	Deferred Items						21,911
	Net Business-Type Bonds Outstanding						$ 991,426

The annual requirements to amortize bonds payable as of December 31, 2011, excluding unamortized bond discount/premium and deferred loss on refunding of $22,143,000, are as follows (in thousands of dollars):

	General Obligation		Business-Type Revenue		
Year Ended December	Principal	Interest	Principal	Interest	Total
2012	3,380	1,845	47,249	42,239	94,714
2013	3,510	1,742	57,035	40,281	102,568
2014	3,650	1,631	58,955	38,065	102,301
2015	3,800	1,508	61,050	35,641	101,999
2016	3,965	1,375	63,725	33,082	102,147
2017 – 2021	22,645	4,450	303,070	124,586	454,751
2022 – 2026	10,645	431	291,465	57,256	359,797
2027 – 2029	–	–	86,966	7,808	94,773
	$51,595	$12,982	$969,515	$378,958	$1,413,050

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	$1,685	$ 10,315
2008 Stadium	5.4 – 6.6	1/1 – 07/01	04/01/08	1/1/38	$33,000	–	33,000
2010 Civic Center	2.0 – 5.0	03/01 – 09/01	11/09/10	9/1/31	$52,660	$1,245	51,415
Subtotal							$ 94,730
Premium/loss							5,460
Total							$ 100,190

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 was in August 2010.

In December 2010, the 2001 bonds were restructured from variable rate to fixed rate bonds.

The estimated annual requirements to amortize the bonds payable as of December 31, 2011 are as follows (in thousands of dollars):

Development Authority Revenue Bonds Annual Requirements

Year Ended December 31	Principal	Interest	Total Debt Service
2012	$ 2,150	$ 4,915	$ 7,065
2013	2,215	4,841	7,056
2014	2,845	4,747	7,592
2015	2,975	4,613	7,588
2016	3,110	4,473	7,583
2017 – 2021	18,085	19,793	37,878
2022 – 2026	23,080	14,813	37,893
2027 – 2031	25,370	8,875	34,245
2032 – 2036	9,925	3,366	13,291
2037 – 2038	4,975	333	5,308
Total	$ 94,730	$ 70,769	$ 165,499

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 2001 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 issued to finance an expansion of the existing Gwinnett Center.

The County has also committed to enter into capital leases for a parking garage at the Gwinnett Center, and the stadium (Coolray Field). The projects were financed with the 2007 and 2008 bond described above and are leased at cost with lease repayment terms mirroring the required debt service on the bonds. The book value of assets acquired under capital leases by major asset class is as follows (in thousands of dollars):

Buildings	$ 127,088
Land Improvements	$ 17,171
Equipment	$ 2,107

Advance Refunding of Debt

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, 2011, $223,385,000 of outstanding 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, 2011, $116,500,000 of outstanding 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.

In 2011, the County advance refunded that portion of the Series 2003B Water and Sewer Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of $170,360,000. With an original principal amount of $163,615,000, net proceeds of $188,873,037 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 true-interest cost of 2.89 percent, a decrease in future debt service payments of $10.8 million, resulting in a net present value debt service savings of approximately $9.43 million. The refunded bonds are considered defeased. At December 31, 2011, $170,360,000 of outstanding 2003B revenue bonds are considered defeased.

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, 2011, General Obligation Bonds outstanding, net of amounts available in the Debt Service Fund of $27,493,000 totaled $24,102,000. The statutory limit at that date was $2,498,644,000, providing a debt margin of $2,474,542,000.

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 Finance Authority (GEFA) loans for the construction and acquisition of buildings and equipment. Notes payable outstanding as of December 31, 2011 are as follows (in thousands of dollars):

Enterprise Funds	Interest Rates %	Interest Dates	Maturity Dates	Notes Payable January 1, 2011	Additions	Retirements	Notes Payable December 31, 2011
GEFA (CW13089701)	2.00	Monthly	4/1/12	$ 330	$ –	$ 246	$ 84
GEFA (88-069WQ)	6.25	Monthly	4/1/11	31	–	31	–
GEFA (CW4005PA)	3.00	Monthly	11/1/28	49,583	–	1,904	47,679
GEFA (CW03-002NP)	3.00	–	–	5,353	79	134	5,298
GEFA (09-055)	3.00	–	–	1,251	791	–	2,042
				$ 56,548	$ 870	$ 2,315	$ 55,103

The annual requirements to pay the notes outstanding at December 31, 2011, including interest of approximately $68,754,000, are as follows (in thousands of dollars):

Year Ended December 31	Principal	Interest	Enterprise Funds
2012	2,339	1,559	3,898
2013	2,325	1,490	3,815
2014	2,396	1,419	3,815
2015	2,469	1,346	3,815
2016	2,543	1,271	3,814
2017 – 2021	13,928	5,147	19,075
2022 – 2026	16,179	2,896	19,075
2027 – 2031	10,882	565	11,447
	$ 53,061	$ 15,693	$ 68,754

Loan number 09-055 is still under construction. This note is similar to a construction loan for which a repayment schedule will not be determined until completion of the project.

Operating Lease Commitments

The County leases certain equipment under operating leases. Rental expense for all operating leases aggregated $5,236,902 for the year ended December 31, 2011. There were no significant future minimum rental payments, contingent rentals, or sublease rentals associated with leases in effect at December 31, 2011.

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 47 series of industrial development bonds issued from January 1, 1996, to December 31, 2011, totaling $717,651,486. The total amount of those bonds outstanding as of December 31, 2011, was $615,521,951.

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

Interfund receivables and payables as of December 31, 2011, are as follows (in thousands of dollars):

	Due from
Due to	2005 Sales Tax
2009 Sales Tax	2,811

	TRANSFER FROM					
TRANSFER TO	General	2001 Sales Tax	Water & Sewer	Non–major Governmental	Internal Service Funds	Total
General	$ –	$ –	$ 90	$ 70	$ –	$ 160
Other Capital Projects	2,744	–	–	5,217	24,175	32,136
2005 Sales Tax	–	–	–	440	–	440
2009 Sales Tax	–	11,791	–	–	–	11,791
Stormwater	–	–	–	430	–	430
Non–major Governmental	103	–	–	9,136	–	9,239
Non–major Enterprise	2,727	–	–	–	–	2,727
Total	$ 5,574	$ 11,791	$ 90	$ 15,293	$ 24,175	$ 56,923

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. The Automotive Management and Service Fund had a one-time transfer to the Other Capital Projects Fund as vehicle replacement will now be accounted for in that 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, 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 interfund 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 $1,200,000,000 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 levels 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 the 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 claims. The County is responsible for the first $750,000 of any claim and amounts exceeding the $750,000 retention 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 balances of claims liabilities for each of the two years in the two-year period ended December 31, 2011 were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2011	$ 7,336,000	$ 6,547,000	$ 5,363,000	$ 8,520,000
2010	7,752,000	4,363,302	4,779,302	7,336,000

At December 31, 2011, the Risk Management Fund held $28,929,000 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 $300,000 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 2011 and 2010 are as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2011	$ 4,058,000	$ 14,525,000	$ 16,740,000	$ 1,843,000
2010	$ 3,735,000	$ 21,103,000	$ 20,780,000	$ 4,058,000

At December 31, 2011, The Group Insurance Fund held $10,965,000 cash and cash equivalents available for payment of these claims.

2011 Claims for Active Employees:
For 2011, there were 1,594 active employees electing medical coverage through the Gwinnett County Benefits Section. The County pays approximately 77 percent of the actuarial projected cost for medical and hospitalization costs incurred by these eligible participants. During the year, expenses by type for the year ended December 31, 2011 are as follows (in thousands of dollars):

1,594 Active Employees Electing Medical Coverage

Administrative Costs	$ 772
Stop Loss Insurance	471
Claims Experience	16,740
Total	$ 17,983

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 Commissioners 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 Commissioners 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: A participant accruing benefits under *Schedule A* shall be entitled to an Unreduced Early Retirement Pension when he completes thirty (30) years of Vesting Service. A Participant accruing benefits under *Schedule A* will be entitled to a Reduced Early Retirement Pension on the latter of the date he attains sixty (60) years of age and completes ten (10) years of service.

Schedule B or Schedule C: A participant accruing benefits under *Schedule B* or *Schedule C* shall be entitled to an Unreduced Early Retirement Pension on the earlier of the following dates; (i) the Participant completes thirty (30) years of Vesting Service; or (ii) latter of the date (A) he attains (50) years of age and (B) his age, combined with his years of Vesting Service, equals or exceeds seventy-five (75). A Participant accruing benefits under *Schedule B* or *Schedule C* will be entitled to a Reduced Early Retirement Pension on the latter of the date he attains sixty (60) years of age and completes ten (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 1 (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, 2012.

Plan Membership as of January 1, 2012

Retirees, beneficiaries and disabled participants receiving benefits	1,562
Terminated plan members entitled to but not receiving benefits	1,001
Active plan members	2,120
Total	4,683

Complete financial statements for the Gwinnett County Defined Benefit Plan can be obtained at the following address:

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, 2012 plan year, the required contribution rate, for County contributions, as a percent of pensionable earnings was set at 31.30 percent. The employees were required to contribute at an average rate of 6.99 percent of pensionable earnings.

The chart below shows County costs and contributions for the year ended December 31, 2011 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
2011	$ 43,711	$ 64,063	147%	$ 129,353
2010	31,816	60,947	192%	109,001
2009	26,360	37,535	142%	79,870

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

Annual required contribution	$ 37,563,000
Interest from net pension asset	(8,720,100)
Adjustment	14,868,396
Annual pension cost	43,711,296
Actual contributions to plan	64,063,000
Increase in net pension asset	20,351,704
Net pension asset as of January 1, 2011	109,001,248
Net pension asset as of December 31, 2011	$ 129,352,952

C. Defined Benefit Pension Plan

As of the most recent valuation date, January 1, 2012, 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
1/1/12	$ 652,425,000	$ 849,164,503	$ 196,739,503	76.8%	$ 116,610,085	168.7%

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, 2012. The assumptions used in the January 1, 2012 ,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	15 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, 2011, there were 2,231 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, 2011, the amount contributed by employees was $3,934,736. The amount contributed by the County was $8,832,663. Effective January 1, 2007, a 1 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 2011, the County contributed $535,830 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 32.6 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, 2012.

Active participants	4,405
Retirees and beneficiaries	1,789
Total	6,194

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 2011 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
2011	$ 15,956	$ 24,313	152.37%	$ 28,123
2010	$ 15,098	$ 26,840	177.77%	$ 19,766
2009	$ 14,245	$ 16,521	115.98%	$ 8,024

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

Annual required contribution	$ 16,254,977
Interest from net OPEB asset	(1,383,645)
Adjustment	1,084,846
Annual OPEB cost	15,956,178
Actual contributions to plan	24,312,764
Increase in net OPEB asset	8,356,586
Net OPEB asset as of December 31, 2010	19,766,356
Net OPEB asset as of December 31, 2011	$ 28,122,942

C. OPEB Plan

As of the most recent valuation date, January 1, 2012, 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
1/1/12	$ 68,117,159	$ 155,736,605	$ 87,619,446	43.74%	$ 211,635,669	41.40%

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, 2012. The assumptions used in the January 1, 2012, 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%)
Health care Cost Trend Rate	10.5% (includes inflation of 3.0%)
Ultimate Health care Trend Rate	5.0%
Year of Ultimate Trend Rate	2019
Amortization Method	Level Percent of Pay (open)
Remaining Amortization Period	30 years

Note 14.

Nonspendable, Restricted, Committed, Assigned, and Unassigned Fund Balances

Nonspendable, restricted, committed, assigned, and unassigned fund balances in the various funds as of December 31, 2011 are as follows (in thousands of dollars):

	General	Other Capital Projects	2001 Sales Tax	2005 Sales Tax	2009 Sales Tax	Other Governmental	Total
Fund balances:							
Nonspendable:							
Inventories	$ 1,382	$ –	$ –	$ –	$ –	$ 191	$ 1,573
Prepaid items	5,822	–	–	–	12	26	5,860
Restricted for:							
Capital projects	–	–	2,800	74,750	186,343	–	263,893
Street lighting	–	–	–	–	–	3,420	3,420
Speed humps	–	–	–	–	–	1,082	1,082
Juvenile court supervision	–	–	–	–	–	112	112
Law enforcement – sheriff	–	–	–	–	–	1,193	1,193
Law enforcement – police	–	–	–	–	–	7,121	7,121
Crime victims assistance	–	–	–	–	–	1,310	1,310
Law enforcement – district attorney	–	–	–	–	–	529	529
Corrections inmate welfare	–	–	–	–	–	62	62
Sheriff inmate store	–	–	–	–	–	1,619	1,619
E-911 services	–	–	–	–	–	34,691	34,691
Recreation	–	–	–	–	–	9,946	9,946
Grants	–	–	–	–	–	2,955	2,955
Tourism	–	–	–	–	–	6,702	6,702
Stadium	–	–	–	–	–	850	850
Debt service	–	–	–	–	–	27,493	27,493
Committed to:							
Tree bank	–	–	–	–	–	60	60
Assigned to:							
Other capital projects	–	75,493	–	–	–	–	75,493
Unassigned	164,650	–	–	–	–	–	164,650
Total fund balances	$ 171,854	$ 75,493	$ 2,800	$ 74,750	$ 186,355	$ 99,362	$ 610,614

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

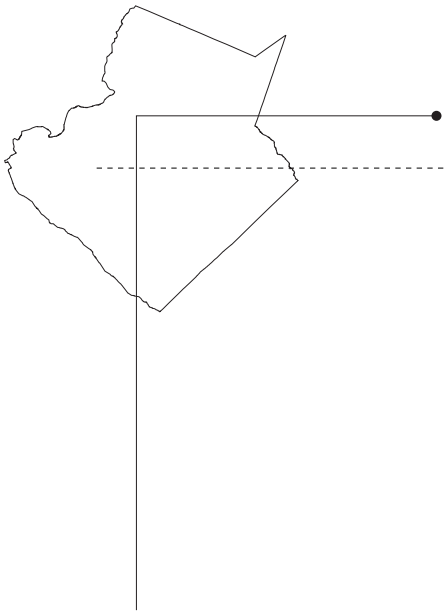
The County participates in a number of federal financial assistance programs. These programs are subject to independent financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although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

Note 16.

Subsequent Event

A. Service Delivery Strategy

In February 2012, the County settled the service delivery strategy (SDS) litigation with the municipalities in the County. The SDS requires the establishment of four new service districts and outlines the funding mechanisms for Fire and Emergency Medical Services; Police Services; Loganville Emergency Medical Services; and Planning, Development, Zoning and Code Enforcement Services. Services which are provided both by some of the municipalities in the County as well as by the County (for unincorporated portions of the County and in the municipalities that do not provide that service), will be considered in establishing County property tax millage rates on property within the municipalities. Beginning in 2012 the County will make a payment to the municipalities, which provide these services, for portions of taxes collected related to the respective services in the respective municipality. Beginning in 2013, the County will establish separate funds, and separate millage rates, in order to provide these services only to the unincorporated areas of the County and within the municipalities which do not provide these services themselves.



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 (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll (Prior year)	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
2012	$ 652,425	$ 849,165	76.8%	$ 196,740	$ 116,610	168.7%
2011	$ 594,981	$ 809,083	73.5%	$ 214,102	$ 128,215	167.0%
2010	$ 533,811	$ 760,822	70.2%	$ 227,011	$ 132,626	171.2%

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

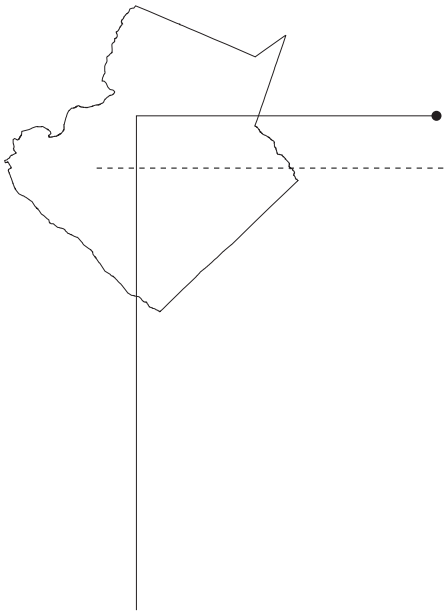
Required Supplementary Information Schedule of Funding Progress (unaudited) (in thousands of dollars)

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll (Prior year)	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
2012	$ 68,117	$ 155,737	43.74%	$ 87,619	$ 211,636	41.40%
2011	$ 51,362	$ 194,311	26.43%	$ 142,949	$ 219,527	65.12%
2010	$ 28,135	$ 200,041	14.06%	$ 171,906	$ 212,204	81.01%

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

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

75 Langley Drive
Lawrenceville, GA 30046



governmental funds

Non-Major Governmental Funds
Special Revenue

Street Lighting Fund
The Street Lighting Fund supports the County's street light program. Revenues are generated from properties benefiting from existing street lights and are restricted for the purpose of utility payments. Charges for Services are collected as special assessment fees in the fourth quarter with property tax collections.

Speed Hump Fund
The Speed Hump Fund supports the County's speed hump program. Revenues are generated from properties benefiting from existing speed humps and are restricted for the purpose of maintenance. Charges for Services are collected as special assessment fees in the fourth quarter with property tax collections.

Juvenile Court Supervision
The Juvenile Court Supervision Fund accounts for revenues collected as supervision fees from those who are placed under the courts' formal or informal supervision in order for the court to use those collections toward expenditures for specific ancillary services, as required by state law.

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*. Revenue collected from developers, when the required tree density units cannot be met, is committed by the Board of Commissioners for the planting of trees.

Sheriff Special Justice Fund
The Sheriff Special Justice Fund accounts for revenues resulting from the U.S. Department of Justice confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

Sheriff Special Treasury Fund
The Sheriff Special Treasury Fund accounts for revenues resulting from the U.S. Department of Treasury confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

Sheriff Special State Fund
The Sheriff Special State Fund accounts for revenues resulting from the state of Georgia's confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.





Police Special Justice Fund
The Police Special Justice Fund accounts for revenues resulting from the U.S. Department of Justice confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

Police Special Treasury Fund
The Police Special Treasury Fund accounts for revenues resulting from the U.S. Department of Treasury confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

Police Special State Fund
The Police Special State Fund accounts for revenues resulting from the State of Georgia's confiscation of money or the sale of property from illegal drug and narcotics activities. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

Crime Victims Assistance Fund
The Crime Victims Assistance Fund accounts for revenues received from a five percent (5%) charge collected on fines within the Recorders, Juvenile, State, Superior, and Magistrate Courts of Gwinnett County. Revenues are also received from five percent (5%) of fines from municipalities within Gwinnett County. These funds must be used to provide assistance to crime victims, in accordance with state law. Revenue is split between the Solicitor's and District Attorney's offices.

DA Federal Asset Sharing Fund
The District Attorney Federal Asset Sharing Fund accounts for revenues received from an equitable sharing agreement between the Department of Justice and the Gwinnett County District Attorney for proceeds from confiscations. The law states that any money or property confiscated in this manner shall be used for restricted purposes, and all expenditures are validated against federal and state guidelines.

Corrections Inmate Fund
The Corrections Inmate Fund accounts for proceeds received from commissary sales to provide recreational materials for the benefit of the inmates at the Corrections Facility, in accordance with state law.

Sheriff Inmate Fund
The Sheriff Inmate Fund accounts for proceeds received from commissary sales to provide recreational materials for the benefit of the inmates at the Detention Center, in accordance with guidelines established by the Georgia Sheriff's Association.

E-911 Fund
The E-911 Fund accounts for operations of the E-911 Communications Center. Revenues are primarily received from monthly subscriber fees remitted by wired and wireless telecommunication providers. Expenditures must comply with *Official Code of Georgia Annotated Title 46, chapter 5, Article 2, Part 4*.

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 restricted for recreation 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.

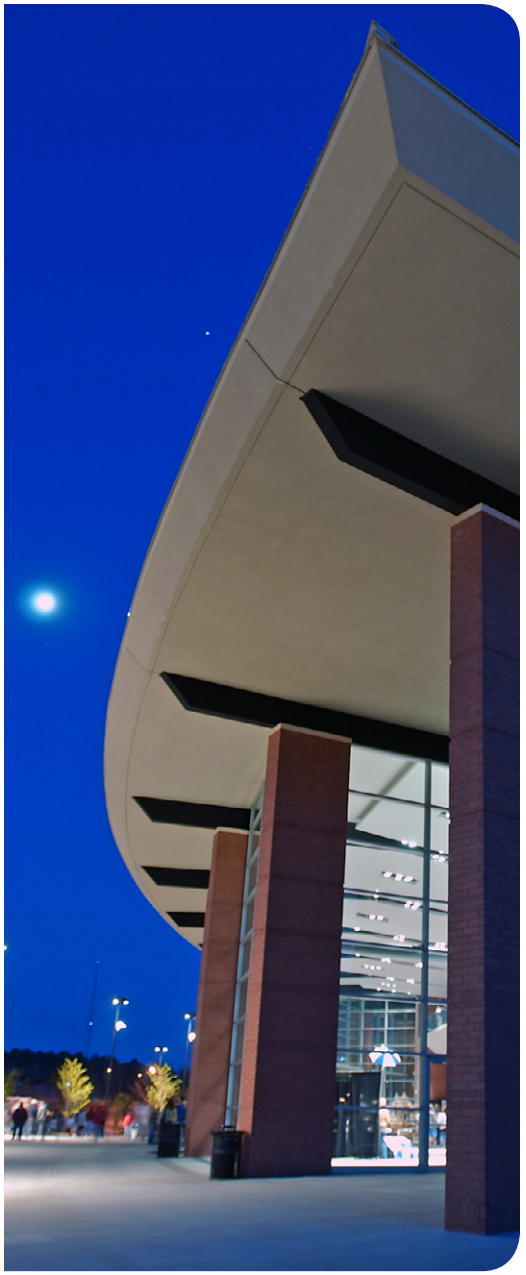
Tourism Fund
The Tourism Fund accounts for the collection and disbursement of hotel/motel tax revenue which is required to be expended in accordance with state law, and includes debt service payments for the Gwinnett Center and parking facility. Other expenditures associated with this fund are quarterly payments to the Gwinnett Convention and Visitors Bureau per a management agreement. Debt service payments occur biannually in March and September.

Tourism Sustainability Fund
The Tourism Sustainability Fund was closed in 2011.

Stadium Fund
The Stadium Fund accumulates stadium-related revenues in order to pay debt service on the Stadium construction bonds and insurance expenditures. Motor vehicle taxes are restricted and expended in accordance with state law. Intergovernmental revenue is realized in the form of a one-time annual payment from the Gwinnett Convention and Visitors Bureau in January. Charges for Services revenues from the Braves ticket sales, parking, rental fees, and naming rights are received in April, June, and October; both intergovernmental and charges for services revenues are required to be expended in accordance with an operations and management agreement. Debt service payments occur bi-annually in January and July.

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 from a countywide property tax levied for debt services.



Other Governmental Funds Combining Balance Sheet December 31, 2011

(in thousands of dollars)

	Street Lighting	Speed Hump	Juvenile Court Supervision	Tree Bank Fund	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice
ASSETS:								
Cash and cash equivalents	$ 4,048	1,081	112	60	202	875	164	3,890
Investments	-	-	-	-	-	-	-	-
Receivables, net of allowance:								
Taxes	427	8	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Total assets	$ 4,475	1,089	112	60	202	875	164	3,890
LIABILITIES AND FUND BALANCES:								
Accounts payable	$ 669	-	-	-	-	48	-	-
Payroll payable	-	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	-	-
Deferred revenue	386	7	-	-	-	-	-	-
Total liabilities	1,055	7	-	-	-	48	-	-
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,420	1,082	112	-	202	827	164	3,890
Committed	-	-	-	60	-	-	-	-
Total fund balances	3,420	1,082	112	60	202	827	164	3,890
Total liabilities and fund balances	$ 4,475	1,089	112	60	202	875	164	3,890

Special Revenue Funds

Police Special Treasury	Police Special State	Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Recreation	Grant	Tourism	Stadium	Total	Debt Service	Total Other Governmental Funds
265	2,966	1,308	529	63	1,638	13,962	11,815	2,359	3,940	775	50,052	27,445	77,497
-	-	-	-	-	-	20,997	-	-	2,500	-	23,497	-	23,497
-	-	-	-	-	-	-	1,627	-	-	-	2,062	577	2,639
-	-	10	-	6	-	8	13	-	443	75	555	-	555
-	-	-	-	-	-	-	-	2,161	-	-	2,161	-	2,161
-	-	-	-	-	-	-	191	-	-	-	191	-	191
-	-	-	-	-	-	12	14	-	-	-	26	-	26
265	2,966	1,318	529	69	1,638	34,979	13,660	4,520	6,883	850	78,544	28,022	106,566
-	-	-	-	5	19	154	1,890	1,157	181	-	4,123	-	4,123
-	-	8	-	2	-	122	232	120	-	-	484	-	484
-	-	-	-	-	-	-	-	288	-	-	288	-	288
-	-	-	-	-	-	-	1,387	-	-	-	1,780	529	2,309
-	-	8	-	7	19	276	3,509	1,565	181	-	6,675	529	7,204
-	-	-	-	-	-	12	205	-	-	-	217	-	217
265	2,966	1,310	529	62	1,619	34,691	9,946	2,955	6,702	850	71,592	27,493	99,085
-	-	-	-	-	-	-	-	-	-	-	60	-	60
265	2,966	1,310	529	62	1,619	34,703	10,151	2,955	6,702	850	71,869	27,493	99,362
265	2,966	1,318	529	69	1,638	34,979	13,660	4,520	6,883	850	78,544	28,022	106,566

Other Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended December 31, 2011

(in thousands of dollars)

	Street Lighting	Speed Hump	Juvenile Court Supervision	Tree Bank Fund	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice
REVENUES:								
Taxes	$ -	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,156	113	133	22	-	-	-	-
Fines and forfeitures	-	-	-	-	120	84	-	373
Investment income	2	-	-	-	1	-	-	5
Change in fair value of investments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	100	-	-	19
Total revenues	6,158	113	133	22	221	84	-	397
EXPENDITURES:								
Current operating:								
Public safety	-	-	-	-	-	-	-	644
Judiciary	-	-	21	-	256	219	5	-
Public works	6,849	54	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Grant programs	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-
Development authority	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	20	-	-	107
Debt service	-	-	-	-	-	-	-	-
Total expenditures	6,849	54	21	-	276	219	5	751
Revenues in excess of (less than) expenditures	(691)	59	112	22	(55)	(135)	(5)	(354)
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	962	169	-
Transfers out	-	-	-	-	(1,131)	-	-	(3,386)
Other financing sources (uses), net	-	-	-	-	(1,131)	962	169	(3,386)
Net change in fund balances	(691)	59	112	22	(1,186)	827	164	(3,740)
Fund balances – January 1	4,111	1,023	-	38	1,388	-	-	7,630
Fund balances – December 31	$ 3,420	1,082	112	60	202	827	164	3,890

Special Revenue Funds														
Police Special Treasury	Police Special State	Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Recreation	Grant	Tourism	Tourism Sustainability	Stadium	Total	Debt Service	Total Other Governmental Funds
-	-	-	-	-	-	-	26,222	-	6,567	-	856	33,645	7,422	41,067
-	-	-	-	-	-	-	73	17,152	-	-	400	17,625	35	17,660
-	-	-	-	54	362	11,143	3,493	-	-	-	1,013	22,489	-	22,489
-	494	810	151	-	-	-	-	-	-	-	-	2,032	-	2,032
-	2	2	1	-	1	215	8	3	4	1	-	245	28	273
-	-	-	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)
-	11	3	-	3	-	20	1,566	4,739	-	-	-	6,461	-	6,461
-	507	815	152	57	363	11,375	31,362	21,894	6,571	1	2,269	82,494	7,485	89,979
-	377	-	-	74	-	11,193	-	-	-	-	-	12,288	-	12,288
-	-	971	79	-	210	-	-	-	-	-	-	1,761	-	1,761
-	-	-	-	-	-	-	-	-	-	-	-	6,903	-	6,903
-	-	63	-	-	-	-	-	-	-	-	-	63	-	63
-	-	-	-	-	-	-	26,849	-	-	-	-	26,849	-	26,849
-	-	-	-	-	-	-	-	14,961	-	-	-	14,961	-	14,961
-	-	-	-	-	-	-	-	-	2,044	-	-	2,044	-	2,044
-	-	-	-	-	-	-	-	-	3,887	-	2,170	6,057	-	6,057
-	46	-	-	-	-	-	-	6,217	-	-	-	6,390	-	6,390
-	-	-	-	-	-	-	-	-	-	-	-	-	13,972	13,972
-	423	1,034	79	74	210	11,193	26,849	21,178	5,931	-	2,170	77,316	13,972	91,288
-	84	(219)	73	(17)	153	182	4,513	716	640	1	99	5,178	(6,487)	(1,309)
265	2,896	-	-	-	-	-	-	103	4,844	-	-	9,239	-	9,239
-	(14)	(6)	(18)	-	-	(27)	(2,582)	(3,051)	(234)	(4,844)	-	(15,293)	-	(15,293)
265	2,882	(6)	(18)	-	-	(27)	(2,582)	(2,948)	4,610	(4,844)	-	(6,054)	-	(6,054)
265	2,966	(225)	55	(17)	153	155	1,931	(2,232)	5,250	(4,843)	99	(876)	(6,487)	(7,363)
-	-	1,535	474	79	1,466	34,548	8,220	5,187	1,452	4,843	751	72,745	33,980	106,725
265	2,966	1,310	529	62	1,619	34,703	10,151	2,955	6,702	-	850	71,869	27,493	99,362

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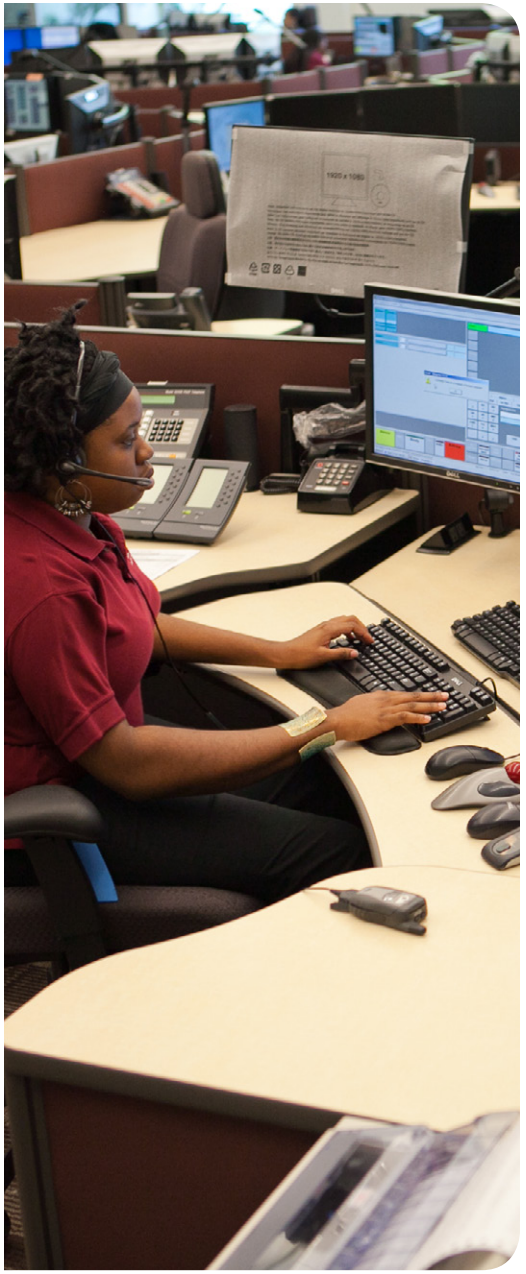
Budgetary Compliance

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, 2011

(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	$ -	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	6,124	6,156	32	115	113	(2)
Fines and forfeitures	-	-	-	-	-	-
Investment income	3	2	(1)	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	$ 6,127	6,158	31	115	113	(2)
EXPENDITURES:						
Current operating:						
Public safety	$ -	-	-	-	-	-
Judiciary	-	-	-	-	-	-
Public works	6,882	6,849	33	56	54	2
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Development authority	-	-	-	-	-	-
Total expenditures	6,882	6,849	33	56	54	2
Revenues in excess of (less than) expenditures	(755)	(691)	64	59	59	-
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	(755)	(691)	64	59	59	-
Fund balance allocation	755	-	(755)	(59)	-	59
Fund balances – January 1	-	4,111	4,111	-	1,023	1,023
Fund balances – December 31	$ -	3,420	3,420	-	1,082	1,082

Tree Bank Fund			Sheriff Special Justice			Sheriff Special Treasury			Sheriff Special State			Police Special Justice		
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)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	22	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	200	120	(80)	-	84	84	-	-	-	1,000	373	(627)
-	-	-	1	1	-	-	-	-	-	-	-	3	5	2
-	-	-	100	100	-	-	-	-	-	-	-	-	19	19
22	22	-	301	221	(80)	-	84	84	-	-	-	1,003	397	(606)
-	-	-	-	-	-	-	-	-	-	-	-	937	751	186
-	-	-	495	276	219	943	219	724	169	5	164	-	-	-
39	-	39	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	-	39	495	276	219	943	219	724	169	5	164	937	751	186
(17)	22	39	(194)	(55)	139	(943)	(135)	808	(169)	(5)	164	66	(354)	(420)
-	-	-	-	-	-	962	962	-	169	169	-	-	-	-
-	-	-	(1,131)	(1,131)	-	(19)	-	19	-	-	-	(3,682)	(3,386)	296
-	-	-	(1,131)	(1,131)	-	943	962	19	169	169	-	(3,682)	(3,386)	296
(17)	22	39	(1,325)	(1,186)	139	-	827	827	-	164	164	(3,616)	(3,740)	(124)
17	-	(17)	1,325	-	(1,325)	-	-	-	-	-	-	3,616	-	(3,616)
-	38	38	-	1,388	1,388	-	-	-	-	-	-	-	7,630	7,630
-	60	60	-	202	202	-	827	827	-	164	164	-	3,890	3,890

continued…

Special Revenue Funds Schedule of Revenues, Expenditures, and Changes In Fund Balance Budget and Actual (Budget Basis) – *continued*
Year Ended December 31, 2011
(in thousands of dollars)

	Police Special Treasury			Police Special State		
	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
REVENUES:						
Taxes	$ -	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	494	494
Investment income	-	-	-	-	2	2
Miscellaneous	-	-	-	-	11	11
Total revenues	$ -	-	-	-	507	507
EXPENDITURES:						
Current operating:						
Public safety	$ 98	-	98	590	423	167
Judiciary	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Development authority	-	-	-	-	-	-
Total expenditures	98	-	98	590	423	167
Revenues in excess of (less than) expenditures	(98)	-	98	(590)	84	674
OTHER FINANCING SOURCES (USES):						
Transfers in	265	265	-	2,843	2,896	53
Transfers out	-	-	-	(173)	(14)	159
Other financing sources (uses), net	265	265	-	2,670	2,882	212
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	167	265	98	2,080	2,966	886
Fund balance allocation	(167)	-	167	(2,080)	-	2,080
Fund balances – January 1	-	-	-	-	-	-
Fund balances – December 31	$ -	265	265	-	2,966	2,966

Crime Victim Assistance			DA Federal Asset Sharing			Corrections Inmate Welfare			Sheriff Inmate			E-911		
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)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	64	54	(10)	361	362	1	11,580	11,143	(437)
921	810	(111)	155	151	(4)	-	-	-	-	-	-	-	-	-
2	2	-	1	1	-	-	-	-	1	1	-	199	215	16
-	3	3	-	-	-	5	3	(2)	-	-	-	-	20	20
923	815	(108)	156	152	(4)	69	57	(12)	362	363	1	11,779	11,378	(401)
-	-	-	-	-	-	139	74	65	-	-	-	13,178	11,193	1,985
1,216	971	245	150	79	71	-	-	-	361	210	151	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	63	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,279	1,034	245	150	79	71	139	74	65	361	210	151	13,178	11,193	1,985
(356)	(219)	137	6	73	67	(70)	(17)	53	1	153	152	(1,399)	185	1,584
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(6)	(6)	-	(25)	(18)	7	-	-	-	-	-	-	(46)	(27)	19
(6)	(6)	-	(25)	(18)	7	-	-	-	-	-	-	(46)	(27)	19
(362)	(225)	137	(19)	55	74	(70)	(17)	53	1	153	152	(1,445)	158	1,603
362	-	(362)	19	-	(19)	70	-	(70)	(1)	-	1	1,445	-	(1,445)
-	1,535	1,535	-	474	474	-	79	79	-	1,466	1,466	-	34,552	34,552
-	1,310	1,310	-	529	529	-	62	62	-	1,619	1,619	-	34,710	34,710

continued…

Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes In Fund Balance Budget and Actual (Budget Basis) – *continued*
Year Ended December 31, 2011
(in thousands of dollars)

	Recreation District			Tourism		
	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
REVENUES:						
Taxes	$ 24,579	26,222	1,643	6,139	6,567	428
Intergovernmental	65	73	8	-	-	-
Charges for services	4,333	3,493	(840)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	46	8	(38)	1	4	3
Miscellaneous	1,538	1,566	28	-	-	-
Total revenues	$ 30,561	31,362	801	6,140	6,571	431
EXPENDITURES:						
Current operating:						
Public safety	$ -	-	-	-	-	-
Judiciary	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	27,302	26,849	453	-	-	-
Tourism	-	-	-	2,061	2,044	17
Development authority	-	-	-	3,904	3,887	17
Total expenditures	27,302	26,849	453	5,965	5,931	34
Revenues in excess of (less than) expenditures	3,259	4,513	1,254	175	640	465
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	4,852	4,844	(8)
Transfers out	(2,582)	(2,582)	-	(244)	(234)	10
Other financing sources (uses), net	(2,582)	(2,582)	-	4,608	4,610	2
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	677	1,931	1,254	4,783	5,250	467
Fund balance allocation	(677)	-	677	(4,783)	-	4,783
Fund balances – January 1	-	8,220	8,220	-	1,452	1,452
Fund balances – December 31	$ -	10,151	10,151	-	6,702	6,702

Tourism Sustainability			Stadium			Juvenile Court Supervision		
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)
-	-	-	750	856	106	-	-	-
-	-	-	400	400	-	-	-	-
-	-	-	959	1,013	54	141	133	(8)
-	-	-	-	-	-	-	-	-
1	1	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1	1	-	2,109	2,269	160	141	133	(8)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	21	2
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,186	2,170	16	-	-	-
-	-	-	2,186	2,170	16	23	21	2
1	1	-	(77)	99	176	118	112	(6)
-	-	-	-	-	-	-	-	-
(4,844)	(4,844)	-	-	-	-	-	-	-
(4,844)	(4,844)	-	-	-	-	-	-	-
(4,843)	(4,843)	-	(77)	99	176	118	112	(6)
4,843	-	(4,843)	77	-	(77)	(118)	-	118
-	4,843	4,843	-	751	751	-	-	-
-	-	-	-	850	850	-	112	112

Capital Projects Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Budget Basis) Year Ended December 31, 2011

(in thousands of dollars)

	2001 Sales Tax			2005 Sales Tax		
	Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
REVENUES:						
Sale tax proceeds	$ -	-	-	-	219	219
Intergovernmental	609	609	-	2,970	2,970	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	237	237	-	2,127	2,126	(1)
Miscellanous	30	64	34	263	227	(36)
Total revenues	$ 876	910	34	5,360	5,542	182
EXPENDITURES:						
Capital outlay	$ 5,334	5,334	-	50,410	50,410	-
Total expenditures	5,334	5,334	-	- 50,410	50,410	-
Revenues in excess of (less than) expenditures	(4,458)	(4,424)	34	(45,050)	(44,868)	182
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	440	440	-
Transfers out	(11,791)	(11,791)	-	-	-	-
Other financing sources, net	(11,791)	(11,791)	-	440	440	-
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(16,249)	(16,215)	34	(44,610)	(44,428)	182
Fund balance allocation	16,249	-	(16,249)	44,610	-	(44,610)
Fund balances – January 1	-	18,956	18,956	-	117,606	117,606
Fund balances – December 31	$ -	2,741	2,741	-	73,178	73,178

2009 Sales Tax			Other Capital Projects		
Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
141,148	134,533	(6,615)	-	-	-
2,309	2,309	-	566	566	-
-	-	-	-	-	-
-	-	-	-	1	1
1,210	1,210	-	104	153	49
9	17	8	619	712	93
144,676	138,069	(6,607)	1,289	1,432	143
74,918	74,918	-	15,657	15,657	-
74,918	74,918	-	15,657	15,657	-
69,758	63,151	(6,607)	(14,368)	(14,225)	143
11,791	11,791	-	31,026	32,136	1,110
-	-	-	-	-	-
11,791	11,791	-	31,026	32,136	1,110
81,549	74,942	(6,607)	16,658	17,911	1,253
(81,549)	-	81,549	(16,658)	-	16,658
-	111,183	111,183	-	57,476	57,476
-	186,125	186,125	-	75,387	75,387

Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Budget Basis) Year Ended December 31, 2011
(in thousands of dollars)

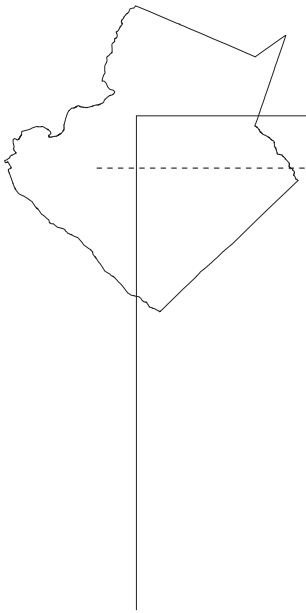
	Debt Service Fund		
	Budget	Actual	Variance-positive (negative)
REVENUES:			
Taxes	$ 11,428	7,422	(4,006)
Intergovernmental	27	35	8
Investment income	22	28	6
Total revenues	11,477	7,485	(3,992)
EXPENDITURES:			
Debt service	13,972	13,972	–
Total expenditures	13,972	13,972	–
Revenues in excess of (less than) expenditures	(2,495)	(6,487)	(3,992)
Fund balance allocation	2,495	–	(2,495)
Fund balances – January 1	–	33,980	33,980
Fund balances – December 31	$ –	27,493	27,493

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	$ 58,518	23,580	(34,938)
EXPENDITURES:			
Program expenditures	58,518	31,530	26,988
Revenues in excess of (less than) expenditures	$ –	(7,950)	(7,950)

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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, 2011

(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 2,648	14,775	6,330	23,753
Receivables, net of allowance				
Accounts	265	1,175	1,873	3,313
Total current assets	2,913	15,950	8,203	27,066
Noncurrent Assets:				
Investments	–	34,556	–	34,556
Land and construction in progress	11,508	1,337	1,780	14,625
Other capital assets, net of depreciation	8,710	2,999	23,336	35,045
Total noncurrent assets	20,218	38,892	25,116	84,226
Total assets	23,131	54,842	33,319	111,292
LIABILITIES:				
Current Liabilities				
Accounts payable	27	3,190	2,439	5,656
Payroll payable	33	266	88	387
Retainage payable	44	–	–	44
Accumulated leave benefits – current	12	8	7	27
Other accrued	–	–	3	3
Unearned revenue	–	41,346	–	41,346
Total current liabilities	116	44,810	2,537	47,463
Noncurrent Liabilities:				
Accumulated leave benefits – noncurrent	7	5	5	17
Total noncurrent liabilities	7	5	5	17
Total liabilities	123	44,815	2,542	47,480
NET ASSETS:				
Invested in capital assets, net of related debt	20,218	4,336	25,116	49,670
Unrestricted	2,790	5,691	5,661	14,142
Total net assets	$ 23,008	10,027	30,777	63,812

Other Enterprise Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Year Ended December 31, 2011

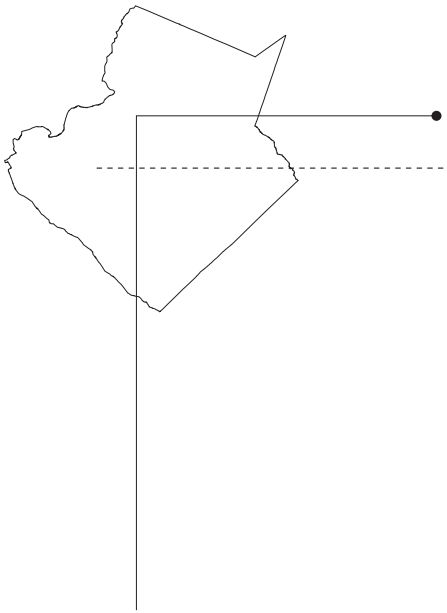
(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
OPERATING REVENUES:				
Operating lease and rental income from individual hanger	$ 833	–	–	833
Intergovernmental	890	–	6,530	7,420
User fees and charges	–	41,130	4,493	45,623
Miscellaneous	33	1	518	552
Total operating revenues	1,756	41,131	11,541	54,428
OPERATING EXPENSES:				
Depreciation	673	174	3,784	4,631
Transit operations	–	–	14,323	14,323
General and administrative	1,671	39,244	–	40,915
Total operating expenses	2,344	39,418	18,107	59,869
Operating income (loss)	(588)	1,713	(6,566)	(5,441)
NON-OPERATING REVENUES (EXPENSES):				
Interest income	1	275	8	284
Investment income (loss)	–	176	–	176
Loss on disposal of capital assets	–	(849)	–	(849)
Total non-operating revenues (expenses)	1	(398)	8	(389)
Income (loss) before transfers	(587)	1,315	(6,558)	(5,830)
Transfer in	–	–	2,727	2,727
Change in net assets	(587)	1,315	(3,831)	(3,103)
Net Assets – January 1	23,595	8,712	34,608	66,915
Net Assets – December 31	$ 23,008	10,027	30,777	63,812

Other Enterprise Funds Combining Statement of Cash Flows Year Ended December 31, 2011

(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
Cash flows from operating activities:				
Cash received from customers	$ 1,539	42,441	11,065	55,045
Cash payments to suppliers for goods and services	(1,344)	(38,859)	(13,544)	(53,747)
Cash payments to employees for services	(313)	(116)	(192)	(621)
Net cash flows provided by operating activities	(118)	3,466	(2,671)	677
Cash flows from noncapital financial activities:				
Transfers from other funds	–	–	2,727	2,727
Net cash provided by noncapital activities	–	–	2,727	2,727
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(28)	(20)	(202)	(250)
Net cash required by capital and related financing activities	(28)	(20)	(202)	(250)
Cash flows from investing activities:				
Interest on investments	1	275	8	284
Purchase of investment	–	(21,494)	–	(21,494)
Net cash provided (required) by investing activities	1	(21,219)	8	(21,210)
Net (decrease) in cash and cash equivalents	(145)	(17,773)	(138)	(18,056)
Cash and cash equivalents at beginning of year	2,793	32,548	6,468	41,809
Cash and cash equivalents at end of year	$ 2,648	14,775	6,330	23,753
Reconciliation of operating income to net cash provided by operating activities:				
Cash flows from operating activities:				
Operating income (loss)	$ (588)	1,713	(6,566)	(5,441)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities				
Depreciation	673	174	3,784	4,631
Change in assets and liabilities:				
(Increase) decrease in receivables	(216)	711	(477)	18
Increase (decrease) in due from others	–	599	–	599
Increase (decrease) in payables	13	6	508	527
Increase (decrease) in other liabilities	–	263	80	343
Net cash provided/(required) by operating activities	$ (118)	3,466	(2,671)	677



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 used for the future acquisition and service of automotive vehicles and equipment.

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



Internal Service Funds Combining Statement of Net Assets December 31, 2011

(in thousands of dollars)

	Group Insurance	Risk Management	Automotive Management and Service	Auto Liability Fund	Total
ASSETS:					
Current assets:					
Cash and cash equivalents	$ 10,965	28,929	908	2,341	43,143
Investments	17,522	6,000	–	–	23,522
Receivables, net of allowance:					
Accounts	40	450	1,074	–	1,564
Inventories	–	–	691	–	691
Prepaid assets	1	–	14	–	15
Total current assets	28,528	35,379	2,687	2,341	68,935
Other capital assets, net of depreciation	–	–	44	–	44
Total assets	28,528	35,379	2,731	2,341	68,979
LIABILITIES:					
Current liabilities:					
Accounts payable	2,428	117	1,778	–	4,323
Accumulated leave benefits – current	6	15	72	–	93
Estimated claims payable – current	1,843	2,089	–	225	4,157
Total current liabilities	4,277	2,221	1,850	225	8,573
Accumulated leave benefits – noncurrent	3	9	44	–	56
Estimated claims payable – noncurrent	–	5,831	–	375	6,206
Total liabilities	4,280	8,061	1,894	600	14,835
NET ASSETS:					
Invested in capital assets	–	–	44	–	44
Unrestricted	24,248	27,318	793	1,741	54,100
Total net assets	$ 24,248	27,318	837	1,741	54,144

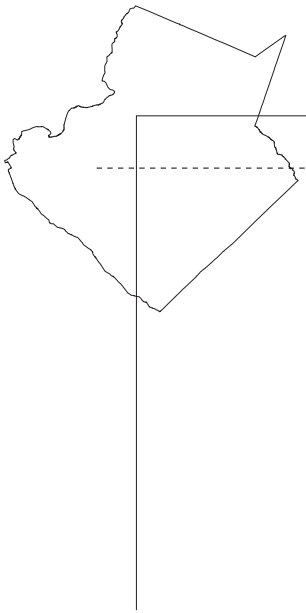
Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets Year Ended December 31, 2011
(in thousands of dollars)

	Group Insurance	Risk Management	Automotive Management and Service	Auto Liability Fund	Total
OPERATING REVENUES:					
Charges to other funds	$ 30,389	4,954	4,317	1,000	40,660
Employee contributions	8,856	–	–	–	8,856
Miscellaneous	34	13	244	–	291
Total operating revenues	39,279	4,967	4,561	1,000	49,807
OPERATING EXPENSES:					
Vehicle maintenance and repair	–	–	1,225	–	1,225
Benefit claims	14,518	4,433	–	930	19,881
Insurance premiums	17,720	2,743	–	–	20,463
Depreciation and amortization	–	–	18	–	18
General and administrative	7,858	1,479	4,269	64	13,670
Total operating expenses	40,096	8,655	5,512	994	55,257
Operating income (loss)	(817)	(3,688)	(951)	6	(5,450)
NONOPERATING REVENUES:					
Interest income	276	92	1	1	370
Investment income	22	–	–	–	22
Contribution to governmental activities	–	–	(9,810)	–	(9,810)
Total nonoperating revenues	298	92	(9,809)	1	(9,418)
Income (loss) before transfers	(519)	(3,596)	(10,760)	7	(14,868)
Transfers out	–	–	(24,175)	–	(24,175)
Change in net assets	(519)	(3,596)	(34,935)	7	(39,043)
Net assets – January 1	24,767	30,914	35,772	1,734	93,187
Net assets – December 31	$ 24,248	27,318	837	1,741	54,144

Internal Service Funds Combining Statement of Cash Flows Year Ended December 31, 2011

(in thousands of dollars)

	Group Insurance	Risk Management	Automotive Management and Service	Auto Liability	Total
Cash flows from operating activities:					
Cash received from customers	$ 39,284	4,990	5,161	1,000	50,435
Cash payments to suppliers for goods and services	(12,090)	(1,166)	(3,163)	(75)	(16,494)
Cash payments to employees for services	(249)	(355)	(2,486)	–	(3,090)
Claims and premiums paid	(34,453)	(6,591)	–	(330)	(41,374)
Net cash flows provided/(required) by operating activities	(7,508)	(3,122)	(488)	595	(10,523)
Cash flows from noncapital financial activities:					
Transfers (to) other funds	–	–	(24,175)	–	(24,175)
Net cash required by noncapital activities	–	–	(24,175)	–	(24,175)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	–	–	111	–	111
Net cash provided by capital and related financing activities	–	–	111	–	111
Cash flows from investing activities:					
Net change in investment pools	8,479	(1,000)	14,000	–	21,479
Interest on investments	298	92	1	1	392
Net cash provided/(required) by investing activities	8,777	(908)	14,001	1	21,871
Net increase/(decrease) in cash and cash equivalents	1,269	(4,030)	(10,551)	596	(12,716)
Cash and cash equivalents at beginning of year	9,696	32,959	11,459	1,745	55,859
Cash and cash equivalents at end of year	$ 10,965	28,929	908	2,341	43,143
Reconciliation of operating income to net cash provided by operating activities:					
Cash flows from operating activities:					
Operating income (loss)	$ (817)	(3,688)	(951)	6	(5,450)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	–	–	18	–	18
Change in assets and liabilities:					
(Increase) decrease in receivables	5	23	(1,056)	–	(1,028)
(Increase) decrease in due from others	–	–	1,656	–	1,656
(Increase) decrease in prepaids	(9)	–	(2)	–	(11)
(Increase) decrease in inventories	–	–	(82)	–	(82)
Increase (decrease) in payables	(4,472)	(42)	(71)	(11)	(4,596)
Increase (decrease) in other liabilities	(2,215)	585	–	600	(1,030)
Net cash provided/(required) by operating activities	$ (7,508)	(3,122)	(488)	595	(10,523)



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
December 31, 2011
(in thousands of dollars)

	Defined Benefit	OPEB	Total
Assets:			
Cash and cash equivalents	$ 21,968	1,030	22,998
Investments, at fair value:			
US governmental treasuries	95,748	9,986	105,734
Asset backed securities	774	81	855
US governmental agencies	47,597	4,964	52,561
Commercial mortgage backed securities	15,202	1,586	16,788
Futures contracts	(451)	(47)	(498)
Corporate bonds	55,087	5,746	60,833
Collateralized mortgage obligations	9,389	979	10,368
Corporate equities	238,655	24,891	263,546
Taxable municipal bonds	12,608	1,315	13,923
International equities	76,332	7,961	84,293
Mutual funds invested in equities	32,292	3,368	35,660
Total investments	583,233	60,830	644,063
Securities lending collateral investment pool	102,779	10,714	113,493
Contributions receivable from employer	26,500	7,982	34,482
Prepaid Assets	3,562	–	3,562
Total assets	738,042	80,556	818,598
Liabilities:			
Accounts payable	563	1,725	2,288
Liability for securities lending agreement	102,779	10,714	113,493
Total liabilities	103,342	12,439	115,781
Net assets held in trust for pension and other employee benefits	$ 634,700	68,117	702,817

Pension (and Other Employee Benefit) Trust Funds Combining Statement of Changes in Plan Net Assets Year Ended December 31, 2011
(in thousands of dollars)

	Defined Benefit	OPEB	Total
ADDITIONS			
Contributions:			
Employer	$ 64,063	24,313	88,376
Employee	8,880	4,684	13,564
Total contributions	72,943	28,997	101,940
Investment Income:			
Investment income	(3,783)	(721)	(4,504)
Securities lending income	103	11	114
Interest and dividends	15,393	1,482	16,875
	11,713	772	12,485
Less – Investment expense	(2,717)	(258)	(2,975)
Securities lending expense	(19)	(2)	(21)
Net investment income	8,977	512	9,489
Total additions	81,920	29,509	111,429
DEDUCTIONS			
Benefits paid	41,976	7,600	49,576
Insurance premiums	–	4,697	4,697
Administrative expenses	684	457	1,141
Total deductions	42,660	12,754	55,414
Net increase	39,260	16,755	56,015
Net assets held in trust for pension and other employee benefits:			
Beginning of year	595,440	51,362	646,802
End of year	$ 634,700	68,117	702,817

Agency Funds
Combining Statement of
Fiduciary Assets and Liabilities
December 31, 2011
(in thousands of dollars)

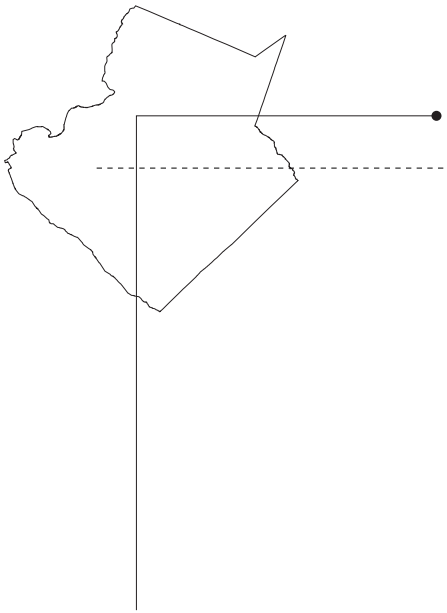
	Tax Commissioner	Clerk of the Courts	Recorder's Court	Sheriff	Probate Court	Juvenile Court	Corrections	Total
ASSETS:								
Cash and cash equivalents	$ 7,368	25,275	836	1,507	125	4	45	35,160
Taxes receivable	38,071	–	–	–	–	–	–	38,071
Total	$ 45,439	25,275	836	1,507	125	4	45	73,231
LIABILITIES:								
Due to others	$ 45,439	25,275	836	1,507	125	4	45	73,231
Total	$ 45,439	25,275	836	1,507	125	4	45	73,231

Agency Funds Combining Statement of Changes in Fiduciary Assets and Liabilities Year Ended December 31, 2011

(in thousands of dollars)

	Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
TAX COMMISSIONER:				
Cash and cash equivalents	$ 5,911	583,853	582,396	7,368
Taxes receivable	45,114	359,274	366,317	38,071
Total	$ 51,025	943,127	948,713	45,439
Due to others	51,025	943,127	948,713	45,439
CLERK OF COURTS:				
Cash and cash equivalents	$ 25,748	72,022	72,495	25,275
Due to others	25,748	72,022	72,495	25,275
RECORDER'S COURT:				
Cash and cash equivalents	$ 1,187	4,533	4,884	836
Due to others	1,187	4,533	4,884	836
SHERIFF:				
Cash and cash equivalents	$ 532	11,716	10,741	1,507
Due to others	532	11,716	10,741	1,507
PROBATE COURT:				
Cash and cash equivalents	$ 110	257	242	125
Due to others	110	257	242	125
JUVENILE COURT:				
Cash and cash equivalents	$ 142	31	169	4
Due to others	142	31	169	4
CORRECTIONS:				
Cash and cash equivalents	$ 41	369	365	45
Due to others	41	369	365	45
TOTAL:				
Cash and cash equivalents	$ 33,671	672,781	671,292	35,160
Taxes receivable	45,114	359,274	366,317	38,071
Total	$ 78,785	1,032,055	1,037,609	73,231
Due to others	78,785	1,032,055	1,037,609	73,231

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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 – S13

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 ..... S14 – S15

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 ..... S16 – S18

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 Eight Years (in thousands of dollars) (Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
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	2,277,988
Restricted	693,897	721,891	666,243	357,674	306,184	272,928	283,828	365,299
Unrestricted	219,465	225,746	238,235	470,710	451,245	489,312	522,661	491,493
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	3,134,780
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	2,598,236
Restricted	24,989	26,364	25,083	25,199	27,388	33,268	37,072	38,926
Unrestricted	132,682	154,556	202,403	60,611	57,866	80,364	137,219	190,964
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	2,828,126
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	4,876,224
Restricted	718,886	748,255	691,326	382,873	333,572	306,196	320,900	404,225
Unrestricted	352,147	380,302	440,638	531,321	509,111	569,676	659,880	682,457
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	5,962,906

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

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses*								
Governmental activities								
General government	$ 60,789	65,846	72,728	74,921	77,529	77,808	96,653	97,991
Public safety	137,822	142,928	154,775	173,779	184,060	188,851	188,823	193,625
Judiciary	84,978	89,671	105,891	113,633	122,028	123,555	113,089	114,896
Public works	52,965	74,006	106,270	82,898	73,339	65,488	55,506	60,013
Health and welfare	11,328	7,495	7,408	12,640	12,861	12,336	11,528	11,762
Culture and recreation	39,166	44,069	54,967	57,032	68,260	67,369	69,493	69,252
Housing and development	16,845	17,244	15,004	18,247	20,596	20,971	25,374	18,098
Tourism	4,476	1,940	2,208	2,214	2,038	1,633	1,760	2,044
Development authority	2,169	2,182	2,251	2,580	2,843	4,853	6,675	4,367
Miscellaneous	3,536	4,676	–	–	–	–	–	–
Interest on long term debt	3,794	2,397	2,128	4,263	5,983	1,111	2,661	2,659
Total governmental activities	$ 417,868	452,454	523,630	542,207	569,537	563,975	571,562	574,707
Business-type activities								
Water and sewer	$ 144,853	156,557	172,985	197,612	201,974	200,687	209,840	213,048
Airport	1,490	1,716	1,940	2,103	1,912	2,000	1,811	2,359
Solid waste	524	347	425	489	2,573	1,427	20,910	40,438
Stormwater	20,959	22,617	24,728	25,455	29,466	28,268	28,032	31,804
Transit	11,391	13,719	12,375	14,184	15,749	15,606	15,533	18,235
Total business-type activities	$ 179,217	194,956	212,453	239,843	251,674	247,988	276,126	305,884
Total primary government expenses	$ 597,085	647,410	736,083	782,050	821,211	811,963	847,688	880,591
Program revenues								
Governmental activities								
Charges for services:								
General government	$ 44,357	33,725	30,991	22,340	14,578	23,795	18,301	25,682
Public safety	15,706	18,502	21,158	22,940	35,699	29,147	23,093	25,586
Judiciary	24,007	22,912	24,744	27,145	29,111	28,541	31,174	30,193
Public works	126	5,837	5,974	6,084	5,992	6,196	6,256	6,279
Health and welfare	–	67	–	–	–	1	137	110
Culture and recreation	3,542	3,651	2,895	3,368	3,918	4,505	4,499	4,480
Housing and development	–	9,091	8,866	6,145	3,922	2,441	8,818	7,928
Operating grants and contributions	14,711	13,231	17,039	15,866	12,068	30,052	33,739	18,005
Capital grants and contributions	18,886	18,246	17,726	24,611	15,054	13,407	11,182	20,193
Total governmental activities program revenues	$ 121,335	125,262	129,393	128,499	120,342	138,085	137,199	138,456

** Net of indirect costs*

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

	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities								
Charges for services:								
Water and sewer	$ 164,700	178,105	185,505	202,960	189,959	208,805	240,966	260,226
Airport	739	626	628	858	850	832	827	866
Solid waste	724	–	–	–	1,340	1,113	20,740	41,131
Stormwater	1,080	991	8,694	16,045	25,095	30,326	29,973	30,494
Transit	1,874	2,551	3,505	3,035	4,337	4,319	4,274	5,011
Operating grants and contributions	–	–	2,506	4,212	5,270	4,896	5,740	6,605
Capital grants and contributions	138,547	191,836	124,225	113,894	68,179	33,811	18,616	17,571
Total business-type activities program revenues	$ 307,664	374,109	325,063	341,004	295,030	284,102	321,136	361,904
Total primary government program revenues	$ 428,999	499,371	454,456	469,503	415,372	422,187	458,335	500,360
Net (expense)/revenue								
Governmental activities	$ (296,533)	(327,192)	(394,237)	(413,708)	(449,195)	(425,890)	(434,363)	(436,251)
Business-type activities	128,447	179,153	112,610	101,161	43,356	36,114	45,010	56,020
Total primary government net expense	$ (168,086)	(148,039)	(281,627)	(312,547)	(405,839)	(389,776)	(389,353)	(380,231)
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	336,256
Sales taxes	131,831	140,972	155,941	152,528	138,756	122,714	128,594	134,752
Other taxes	37,639	39,576	40,239	56,215	55,249	51,971	54,363	64,284
Investment income	12,768	24,561	41,055	42,626	24,418	6,571	6,485	1,998
Miscellaneous	6,866	3,735	6,077	5,386	7,516	4,361	10,093	11,588
Transfers	(22,520)	(19,855)	(15,175)	(5,338)	(5,957)	(6,858)	(4,892)	(5,161)
Total governmental activities	$ 425,947	466,430	532,352	580,029	545,399	581,994	558,387	543,717
Business-type activities:								
Investment income	$ 2,782	5,694	13,642	7,426	2,466	189	346	1,044
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	5,161
Total business-type activities	$ 27,231	28,134	36,121	17,457	13,219	12,037	12,872	6,205
Total primary government	$ 453,178	494,564	568,473	597,486	558,618	594,031	571,259	549,922
Change in net assets								
Governmental activities	$ 129,414	139,238	138,115	166,321	96,204	156,104	124,024	107,466
Business-type activities	155,678	207,287	148,731	118,618	56,575	48,151	57,882	62,225
Total primary government	$ 285,092	346,525	286,846	284,939	152,779	204,255	181,906	169,691

Fund Balances, Governmental Funds – Last Eight 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

	2011
General fund	
Nonspendable	$ 7,204
Unassigned	164,650
Total General fund	$ 171,854
All other governmental funds	
Nonspendable	$ 217
Restricted	362,990
Committed	60
Assigned	75,493
Total all other governmental funds	$ 438,760
Total	$ 610,614

Fund Balance reporting changed in 2011 per GASB 54.

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

	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:								
Taxes	$ 435,619	442,762	504,733	534,320	512,595	515,608	601,982	537,267
Permits and licenses	25,525	22,590	23,990	11,072	8,611	6,626	8,266	7,465
Intergovernmental	20,080	17,619	20,289	18,981	18,197	41,715	42,662	27,331
Charges for services	45,234	55,775	57,112	62,909	75,691	71,319	63,013	75,514
Fines and forfeitures	12,483	12,345	13,526	14,049	14,843	16,731	21,053	15,433
Investment income	11,684	22,716	38,354	40,214	22,401	6,216	6,072	4,936
Miscellaneous	6,866	6,261	7,022	7,759	9,764	7,190	12,007	12,450
Total revenues	$ 557,491	580,068	665,026	689,304	662,102	665,405	755,055	680,396
Expenditures:								
General government	$ 45,510	58,117	58,879	74,823	72,316	65,329	93,475	87,267
Public safety	130,889	138,885	145,864	160,829	171,716	179,492	176,088	175,397
Judiciary	80,716	92,058	105,055	110,023	117,798	121,894	120,098	116,534
Public works	19,424	20,056	21,988	22,866	22,958	21,489	19,360	20,007
Health and welfare	6,292	7,560	7,589	12,566	12,814	12,561	12,473	11,749
Culture and recreation	35,442	38,591	42,416	42,615	47,048	47,646	54,477	44,230
Housing and development	11,344	11,907	11,426	13,095	13,650	10,062	8,332	7,890
Miscellaneous	4,202	551	799	–	–	–	–	–
Tourism	2,000	1,940	2,208	2,214	2,038	1,633	1,760	2,044
Development authority	2,169	2,182	3,656	4,045	4,763	7,465	8,905	6,057
Grant programs	7,545	6,620	5,622	6,042	8,217	12,881	22,953	14,961
Capital outlay	146,382	219,291	282,219	311,565	283,161	223,577	138,448	130,741
Debt service								
Principal	9,360	9,565	9,845	12,251	12,730	13,255	13,847	11,870
Interest	4,448	4,203	3,946	4,079	3,582	3,078	2,608	2,102
Intergovernmental	–	–	–	–	–	19,816	19,313	22,041
Total expenditures	$ 505,723	611,526	701,512	777,013	772,791	740,178	692,137	652,890
Excess of revenues over expenditures	$ 51,768	(31,458)	(36,486)	(87,709)	(110,689)	(74,773)	62,918	27,506
Other financing sources/(uses)								
Transfer in	30,061	31,040	18,399	20,922	85,606	9,962	34,495	53,766
Transfer out	(52,581)	(50,895)	(33,662)	(25,529)	(89,333)	(12,813)	(39,578)	(32,658)
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)	21,108
Net change in fund balance	$ 29,248	(51,313)	(51,749)	(92,316)	(77,531)	(68,907)	57,835	48,614
Debt service as a percentage of noncapital expenditures	4.0%	3.6%	3.3%	3.5%	3.4%	3.4%	3.0%	2.7%

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]					
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%
2011	16,141,004,129	6,740,985,809	230,889,940	2,014,195,700	3,775,921,060	3,916,558,267	24,986,438,371	13.02	62,466,095,928	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:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County										
Maintenance and Operations:										
Unincorporated	8.30	8.29	8.27	10.14	10.00	9.81	9.72	11.78	11.78	11.78
Municipalities	8.30	8.29	8.27	10.14	10.00	9.81	9.72	11.78	11.78	11.78
Debt Service	0.30	0.49	0.49	0.49	0.48	0.47	0.46	0.47	0.47	0.24
Fire Protection	1.87	1.87	1.87	–	–	–	–	–	–	–
Recreation	0.85	0.85	0.84	0.84	0.82	0.80	0.79	1.00	1.00	1.00
Total County – Unincorporated	11.32	11.50	11.47	11.47	11.30	11.08	10.97	13.25	13.25	13.02
Total County – Municipalities	11.32	11.50	11.47	11.47	11.30	11.08	10.97	13.25	13.25	13.02
School										
Maintenance and Operations	18.62	18.87	18.87	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Debt Service	1.68	1.43	1.43	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Total School	20.30	20.30	20.30	20.55	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	31.87	32.05	32.02	32.27	32.10	31.88	31.77	34.05	34.05	33.82
Total Municipalities	31.87	32.05	32.02	32.27	32.10	31.88	31.77	34.05	34.05	33.82

Source: Budget Division – Tax Levy Resolution



Principal Property Tax Payers – Current Year and Nine Years Ago

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power	$123,487,640	1	0.49%	$69,337,274	4	0.33%
Publix	121,863,101	2	0.49%	54,888,050	6	0.26%
Wal-Mart	101,148,266	3	0.40%	–	–	–
AT&T Communications*	92,894,811	4	0.37%	123,816,352	1	0.59%
Mall of Georgia LLC	80,697,720	5	0.32%	80,996,990	3	0.39%
Scientific Atlanta Inc	80,607,380	6	0.32%	93,126,460	2	0.44%
Jackson EMC	69,748,360	7	0.28%	49,001,279	7	0.23%
Atlanta Gas Light	39,925,440	8	0.16%	–	–	–
LA Forum Peachtree LLC	39,000,000	9	0.16%	–	–	–
Georgia Transmission Corporation	37,356,360	10	0.15%	–	–	–
Lucent Technologies				43,893,520	9	0.21%
Gwinnett Place Assoc.				42,993,180	10	0.21%
Weeks Realty, LP				47,201,520	8	0.23%
Sugarloaf Mills LTD Partnership				59,773,960	5	0.29%

** AT&T's 2011 Temp Taxes based on Appealed Value*

Source: 1) The final tax digest dated 02/13/2012 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.

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
2002	555,250,293	525,108,967	93.6%	29,968,223	555,077,190	100.0%
2003	599,399,082	570,046,324	95.0%	28,598,852	598,645,177	99.9%
2004	639,577,829	623,423,054	97.4%	15,111,194	638,534,249	99.8%
2005	687,612,122	632,855,849	91.3%	53,216,305	686,072,154	99.8%
2006	755,022,896	712,381,318	91.7%	41,101,775	753,483,092	99.8%
2007	827,607,045	781,880,719	93.7%	44,019,029	825,899,748	99.8%
2008	876,860,591	819,605,181	92.7%	55,101,898	874,707,079	99.8%
2009	952,662,734	829,546,868	92.7%	118,440,952	947,987,820	99.5%
2010	867,760,729	810,612,693	93.2%	46,617,004	857,229,697	98.8%
2011	794,531,513	755,883,258	95.1%	–	755,883,258	95.1%

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

Includes all rolls, tax only
No Street Lights, Speed Humps, Storm Water or Solid Waste fees are included.
The 2009 levies include $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
2002	641,986	61,740	15,271	46,469	0.22%	72.38	16,055	-
2003	663,391	135,325	21,626	113,699	0.51%	171.39	14,440	-
2004	687,468	125,965	22,342	103,623	0.45%	150.73	12,725	65,000
2005	710,978	116,400	21,003	95,397	0.39%	134.18	10,915	65,000
2006	740,267	106,555	21,653	84,902	0.34%	114.69	8,990	63,595
2007	764,129	96,350	22,658	73,692	0.26%	96.44	6,945	62,130
2008	780,721	85,790	23,518	62,272	0.21%	79.76	4,775	97,095
2009	796,276	74,845	23,952	50,893	0.17%	63.91	2,465	103,200
2010	808,291	63,465	33,980	29,485	0.11%	36.48	-	96,420
2011	822,467	51,595	27,493	24,102	0.10%	29.30	-	94,730

	Business-Type Activities					
Fiscal Year Ended Dec. 31,	Water & Sewer Bonds	Notes Payable	Lease Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2002	551,791	3,520	-	617,835	3.16%	962.38
2003	743,852	3,125	-	875,116	4.36%	1,319.16
2004	842,346	2,663	-	1,026,357	4.88%	1,492.95
2005	829,895	2,235	-	1,003,442	4.40%	1,411.35
2006	810,200	1,790	-	969,477	4.00%	1,309.63
2007	784,419	10,174	-	937,360	3.66%	1,226.70
2008	947,218	29,194	1,317	1,141,871	4.28%	1,462.59
2009	1,060,088	57,549	822	1,275,017	4.87%	1,601.22
2010	1,021,565	56,548	-	1,204,018	N/A	1,489.58
2011	969,515	55,103	-	1,143,450	N/A	1,390.27

Sources: Population updated annually using census data. 2011 population estimate is from Gwinnett Economic Analysis Division. Personal income is obtained from the U.S. Bureau of Economic Analysis. Debt information is 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,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 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	$ 2,498,644
Total net debt applicable to limit	46,469	113,699	103,623	95,397	84,902	73,692	62,272	50,893	29,485	24,102
Legal debt margin	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	2,474,542
Total net debt applicable to the limit as a percentage of debt limit	2.4%	5.5%	4.8%	4.1%	3.4%	2.7%	2.2%	1.8%	1.1%	1.0%

Legal debt margin calculation for fiscal year 2011

Assessed value	$ 24,986,438
Debt limit (10%) of assessed value	2,498,644
Debt applicable to limit	
General obligation bonds	51,595
Less: amount set aside for repayment of general obligation debt	27,493
Total net debt applicable to limit	24,102
Legal debt margin	$ 2,474,542

Pledged-Revenue Coverage – Water and Sewerage – Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Utility Service Charges	Less: Operating Expenses[1]	Plus: Investment Income and Other[2]	Net Revenue Available	Debt Service			Coverage	Required Coverage
					Principal	Interest	Total		
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
2011	261,893	106,328	542	156,107	45,305	40,029	85,334	1.83	1.2

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

Summary of County Direct and Overlapping Debt By Category
(in thousands of dollars)

Direct Debt:		
General Obligation Debt	$	51,595
Intergovernmental Contracts:		
Gwinnett County Water and Sewerage Authority		969,515
Development Authority of Gwinnett County		94,730
Notes Payable to Georgia Environmental Finance Authority		55,103
Total Direct Debt	$	1,170,943
Overlapping General Obligation Debt:		
Gwinnett County School District	$	812,265
Municipalities within Gwinnett County*		17,630
Total Overlapping General Debt	$	829,895
Total Direct, Tax Supported and Overlapping General Obligation Debt	$	2,000,838

* Based upon individual city's audit information for fiscal year 2010.

Demographic and Economic Statistics – Last Ten Fiscal Years

Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Unemployment Rate*
2002	641,986	20,073,737	31,268	4.5%
2003	663,391	20,808,229	31,366	4.4%
2004	687,468	21,749,048	31,636	4.2%
2005	710,978	23,470,205	33,011	4.6%
2006	740,267	25,147,545	33,971	4.1%
2007	764,129	26,268,514	34,377	4.0%
2008	780,721	26,697,771	34,173	5.6%
2009	796,276	25,224,103	31,678	8.7%
2010	808,291	25,855,121	31,987	9.2%
2011	822,467	Not available	Not available	9.0%

Source: 2002 – 2010 population and income data from the Bureau of Economic Analysis and U.S. Census Bureau.
2011 population estimate from Gwinnett Economic Analysis Division.
*Georgia Department of Labor (website accessed April 24, 2012)

Principal Employers – Current Year and Nine Years Ago

	2011			2002		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gwinnett County Public Schools	20,421	1	5.2%	15,504	1	4.4%
Gwinnett County Government	4,817	2	1.2%	4,046	2	1.1%
Gwinnett Health Systems	4,120	3	1.0%	3,712	3	1.1%
Publix Supermarkets	2,908	4	0.7%	1,755	6	0.5%
Walmart	2,700	5	0.7%	2,950	4	0.8%
State of Georgia	2,215	6	0.6%	1,529	8	0.4%
Kroger Company	2,084	7	0.5%	*1,200	10	0.3%
US Post Office	2,068	8	0.5%			
Cisco, previously Scientific Atlanta	1,917	9	0.5%	1,561	7	0.4%
Fiserv, previously Check Free	1,582	10	0.4%			
Primerica				1,800	5	0.5%
Home Depot				1,232	9	0.3%

Source: Gwinnett County Division of Economic Analysis, last updated Q1 2011
2002 principal employers obtained from page S-30 of the 2002 Comprehensive Annual Financial Report
Total County Employment from the Georgia Department of Labor, Workforce Statistics & Economic Research from January 2012 and January 2003.

*Based on average store employment, unconfirmed.

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

	Fiscal Year Ended December 31,									
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	535	567	558	571	575	571	569	538	555	538
Public safety:										
Police	766	810	857	927	951	1,013	1,048	1,041	1,066	1,068
Fire	617	637	654	674	713	757	766	788	848	844
Corrections	122	127	139	141	142	142	142	125	139	134
Sheriff	394	421	429	540	621	686	688	701	706	706
Judiciary	359	379	382	400	415	436	452	466	466	482
Transportation	173	177	178	179	179	181	181	156	148	149
Community services	200	207	218	230	241	251	270	229	245	242
Water resources	561	584	598	600	606	630	646	608	577	576
Planning and development	132	137	139	143	143	131	131	66	77	76
Total	3,859	4,046	4,152	4,405	4,586	4,798	4,893	4,718	4,827	4,815

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

Operating Indicators By Function – Last Ten Fiscal Years

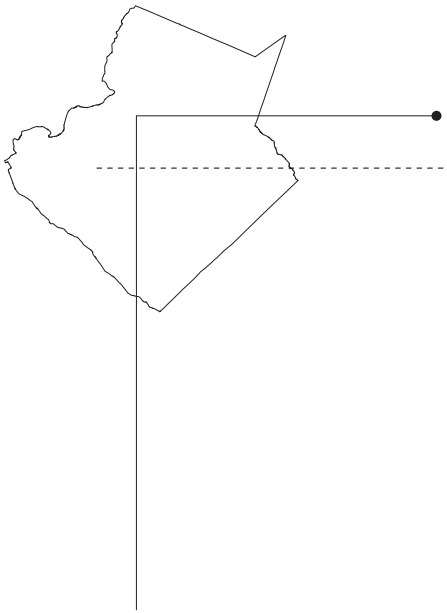
Function	Fiscal Year Ended December 31, 2002	2003	2004	2005	2006	2007	2,008	2009	2010	2011
Police										
General calls	319,121	331,035	359,362	373,813	360,690	466,762	532,440	528,813	498,703	451,551
Traffic calls	155,861	147,819	159,754	140,657	149,291	184,076	192,095	211,345	203,910	207,904
Officers/1,000 population	0.80	0.83	0.85	0.86	0.99	1.06	1.07	1.00	1.03	1.00
Fire										
Calls answered	38,403	42,046	47,343	56,377	61,886	64,541	63,655	65,722	62,995	64,450
Inspections	11,263	9,534	12,480	12,355	12,406	10,017	13,835	16,612	11,375	19,217
Transportation										
Street resurfacing (miles)	123	115	113	115	110	85	60	105	90	80
Parks and recreation										
Classes/programs/camps/events	4,423	4,556	4,692	4,803	4,643	5,616	6,259	6,660	6,581	6,047
Number of facility & pavilion rentals	1,905	1,846	2,842	3,801	4,457	6,073	9,268	24,122	14,283	11,298
Number of pool admissions & passes	335,115	339,998	394,596	415,242	400,014	445,000	586,009	570,090	522,322	575,000
Number of senior citizens one-way passenger trips	29,282	32,904	37,967	32,374	38,232	39,687	39,472	30,456	35,543	32,424
Water										
Plant capacity (mgd)	150	150	225	225	225	225	225	225	225	225
Average daily consumption (mgd)	83.4	76.0	82.6	80.7	87.4	86.9	71.9	71.3	74.7	74.4
Maximum daily pumpage (mgd)	122.5	106.0	112.8	113.3	129.8	126.3	87.9	103.1	99.8	101.4
Water meters installed	9,118	8,538	8,707	8,773	7,290	4,705	1,557	620	977	946
Miles of water mains installed	100	81	65	94	94	81	45	18	6	17
Number of customers	195,320	203,657	211,723	220,856	230,752	234,447	233,675	228,807	227,356	228,213
Sewer										
Average annual daily flow (mgd)	47	50	51	52	51	49	50	53	53	50
Number of customers	113,336	120,967	128,121	135,311	138,284	141,807	146,267	146,276	147,637	148,714
Miles of sewer mains installed	108	74	125	159	111	116	46	23	7	11
Transit										
Total passengers	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	2,264,769

Source: County operating departments

Capital Asset Statistics By Function – Last Ten Years

Function	Fiscal Year Ended December 31, 2002	2003	2004	2005	2006	2007	2,008	2009	2010	2011
Police precincts/stations	8	9	9	10	10	12	12	12	11	11
Fire stations	23	24	24	25	26	27	28	28	30	30
Transportation										
Miles county maintained roads	2,389	2,464	2,464	2,650	2,700	2,750	2,750	2,750	2,750	2,750
Streetlights maintained	35,500	39,734	41,953	45,000	46,421	47,637	48,161	48,643	48,774	48,539
Traffic signals maintained	545	570	590	610	612	626	643	653	666	675
Parks and recreation										
Acreage total	7,336	7,572	7,781	8,062	8,247	8,602	8,695	8,849	8,988	8,992
Competition and Leisure/Play Pools	8	8	11	11	12	14	17	17	17	17
Sports Fields	109	109	122	124	135	139	149	150	150	150
Tennis courts	34	34	35	39	41	43	47	51	51	51
Playgrounds	26	30	32	35	36	42	47	52	52	61
Libraries	11	11	11	12	14	14	14	14	15	15
Library circulation	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	7,667,758
Water										
Miles of water mains	2,982	3,056	3,121	3,215	3,300	3,346	3,399	3,408	3,411	3,665
Fire hydrants	31,144	34,841	35,515	37,484	38,916	40,038	40,614	40,805	40,877	41,642
Raw water storage (mgd)	37	37	45	45	45	45	45	45	45	45
Sewer										
Miles of sewer mains	2,010	2,084	2,210	2,368	2,480	2,595	2,640	2,663	2,670	2,650
Miles of storm sewers					810	1,096	1,296	1,307	1,317	1,327
Treatment capacity (mgd)	64.1	64.1	64.1	64.1	71.6	71.6	71.62	67.12	102.62	103.00
Transit buses	35	63	63	63	67	67	76	85	96	96

Source: County operating departments


single audit section

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Comprehensive Annual **Financial** Report **2011**

gwinnettcounty





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Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2011

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
U.S. Department of Housing and Urban Development					
Community Development Block Grants Cluster	14.218	CDBG-2005	B-05-UC-13-0004	1/1/05	7/31/11
Community Development Block Grants Cluster	14.218	CDBG-2006	B-06-UC-13-0004	1/1/06	12/31/12
Community Development Block Grants Cluster	14.218	CDBG-2007	B-07-UC-13-0004	1/1/07	12/31/12
Community Development Block Grants Cluster	14.218	CDBG-2008	B-08-UC-13-0004	1/1/08	12/31/12
Community Development Block Grants Cluster	14.218	CDBG-2009	B-09-UC-13-0004	1/1/09	1/1/13
Community Development Block Grants Cluster	14.218	CDBG-2010	B-10-UC-13-0004	1/1/10	12/31/15
Community Development Block Grants Cluster	14.218	CDBG-2011	B-11-UC-13-0004	1/1/11	12/31/15
Community Development Block Grants Cluster	14.218	NSP HUD 2008 REVISED	B-08-UN-13-0005	11/18/08	7/30/13
Community Development Block Grants Cluster	14.253	ARRA - CDBG-R 2009	B-09-UY-13-0004	5/28/09	12/31/11
SUBTOTAL – CDBG Cluster					
Community Development Block Grants/State's Program	14.228	NSP DCA-2008	08-NS-5063	11/18/08	9/5/12
SUBTOTAL					
Emergency Shelter Grant Program	14.231	ES-2010	S-10-UC-13-0011	1/1/10	12/31/11
Emergency Shelter Grant Program	14.231	ES-2011	S-11-UC-13-0011	1/1/11	12/31/12
SUBTOTAL					
HOME Investment Partnerships Program	14.239	HOME-2006	M-06-UC-13-0201	1/1/06	12/31/11
HOME Investment Partnerships Program	14.239	HOME-2007	M-07-UC-13-0201	1/1/07	10/1/11
HOME Investment Partnerships Program	14.239	HOME-2008	M-08-UC-13-0201	1/1/08	1/1/13
HOME Investment Partnerships Program	14.239	HOME-2009	M-09-UC-13-0201	1/1/09	1/1/13
HOME Investment Partnerships Program	14.239	HOME-2010	M-10-UC-13-0201	1/1/10	1/1/15
HOME Investment Partnerships Program	14.239	HOME-2011	M-11-UC-13-0201	1/1/11	1/1/15
SUBTOTAL					
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	14.257	ARRA HPRP-2009	S09-UY-13-0011	8/1/09	9/30/12
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		$4,615,969					$4,671	
US Dept of Housing and Urban Development		$4,200,238	$28,969	$30,175				
US Dept of Housing and Urban Development		$4,225,356	$426,692	$39,563				
US Dept of Housing and Urban Development		$4,126,332	$242,238	$117,135				
US Dept of Housing and Urban Development		$4,205,640	$834,170	$540,642				$2,737
US Dept of Housing and Urban Development		$4,561,860	$1,086,708	$1,124,907				
US Dept of Housing and Urban Development		$3,828,221	$288,505	$266,762			$2,420	$2,420
US Dept of Housing and Urban Development		$10,507,827	$155,393	$76,308			$3,928,650	$3,771,207
US Dept of Housing and Urban Development		$1,120,817		$68,563				
			$3,062,675	**$2,264,055**			**$3,935,741**	**$3,776,364**
US Dept of Housing and Urban Development	GA Dept of Community Affairs	$3,004,227	$211,213	$184,993			$944,824	$804,920
			$211,213	**$184,993**			**$944,824**	**$804,920**
US Dept of Housing and Urban Development		$184,705	$46,860	$47,539				
US Dept of Housing and Urban Development		$184,820	$107,227	$106,531				
			$154,087	**$154,070**				
US Dept of Housing and Urban Development		$1,520,842	$8,936	$9,554				
US Dept of Housing and Urban Development		$1,505,692		$38,505				
US Dept of Housing and Urban Development		$1,443,535	$157,230	$304,321				
US Dept of Housing and Urban Development		$1,588,261	$186,982	$200,633				
US Dept of Housing and Urban Development		$1,584,502	$464,665	$592,379				
US Dept of Housing and Urban Development		$1,390,424	$689,800	$407,100			$28,401	$55,901
			$1,507,613	**$1,552,492**			**$28,401**	**$55,901**
US Dept of Housing and Urban Development		$1,713,730	$741,193	$736,907				
			$741,193	**$736,907**				
			$5,676,781	**$4,892,517**			**$4,908,966**	**$4,637,185**

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2011

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
U.S. Department of Justice					
Juvenile Accountability Incentive Block Grant	16.523	CJCJ-10(POS)	JB-08ST-0002	10/1/10	9/30/11
Juvenile Accountability Incentive Block Grant	16.523	CJCJ-11(POS)	JB-09ST-0004	10/1/11	9/30/12
SUBTOTAL					
Crime Victim Assistance	16.575	CJCC-10(VOCA)	C10-8-093	10/1/10	9/30/11
Crime Victim Assistance	16.575	CJCC-11(VOCA)	C11-8-066	10/1/11	9/30/12
SUBTOTAL					
State Criminal Alien Assistance Program	16.606	DOJ-08(SCAAP)	2008-AP-BX-1655	12/9/08	9/15/11
State Criminal Alien Assistance Program	16.606	DOJ-10(SCAAP)	2010-AP-BX-0404	11/16/10	3/31/12
SUBTOTAL					
Bulletproof Vest Partnership Program	16.607	DOJ-2009 BVP	BVP FY2009	4/1/09	2/2/11
Bulletproof Vest Partnership Program	16.607	DOJ-10(BVP)	N/A	4/1/10	8/31/12
SUBTOTAL					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-07(JAG)	2007-DJ-BX-0697	10/1/06	9/30/10
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-08(JAG)	2008-DJ-BX-0390	10/1/07	1/31/12
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-09(JAG)	2009-DJ-BX-0294	10/1/08	9/30/12
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-10(JAG)	2010-DJ-BX-1661	10/1/09	9/30/13
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	ARRA-CJCC-10(AOC)	B82-8-133	1/1/10	12/31/12
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	ARRA-CJCC-10(CJIS)	B82-8-143	1/1/10	12/31/12
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	ARRA-CJCC-10(DA)	B82-8-141	1/1/10	12/31/12
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	ARRA-CJCC-10(GGC)	B82-8-122	1/1/10	12/31/12
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	ARRA-CJCC-10(GTC)	B82-8-158	1/1/10	12/31/12
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	ARRA-CJCC-10(SD)	B82-8-128	1/1/10	12/31/12
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	ARRA-CJCC-10(SOL OF)	B82-8-138	1/1/10	12/31/12
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	ARRA-DOJ-09(JAG)	2009-SB-B9-0775	3/1/09	2/28/13
SUBTOTAL – Justice Assistance Grant Program Cluster					
TOTAL US DEPT OF JUSTICE					
U.S. Department of Labor					
WIA Adult Program	17.258	WIA-2010	WD1118	7/1/10	6/30/12
TOTAL US DEPT OF LABOR					

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	$12,500	$12,100	$12,100				
US Dept of Justice	Council of Juvenile Court Judges of GA	$7,500	$2,690	$2,690				
			$14,790	**$14,790**				
US Dept of Justice	Criminal Justice Coordinating Council	$45,703	$33,671	$27,168			$7,967	$6,149
US Dept of Justice	Criminal Justice Coordinating Council	$45,703	$11,365	$16,652			$2,955	$5,277
			$45,036	**$43,820**			**$10,922**	**$11,426**
US Dept of Justice		$152,520	$3,902					
US Dept of Justice		$139,048	$105,812					
			$109,714					
US Dept of Justice		$1,392	$1,392					
US Dept of Justice		$52,022	$50,482					
			$51,874					
US Dept of Justice		$216,131	$10					
US Dept of Justice		$77,402	$48,230					
US Dept of Justice		$259,719	$66,713				$249	$198
US Dept of Justice		$251,598	$41,149	$41,149				
US Dept of Justice	Criminal Justice Coordinating Council	$50,000	$22,545	$22,943				
US Dept of Justice	Criminal Justice Coordinating Council	$50,000	$25,000	$25,000				
US Dept of Justice	Criminal Justice Coordinating Council	$188,587	$51,557	$55,220				
US Dept of Justice	Criminal Justice Coordinating Council	$12,500	$12,495	$12,495				
US Dept of Justice	Criminal Justice Coordinating Council	$20,000	$2,401	$2,401				
US Dept of Justice	Criminal Justice Coordinating Council	$100,000	$70,058	$70,058				
US Dept of Justice	Criminal Justice Coordinating Council	$10,059	$2,426	$2,426				
US Dept of Justice	Criminal Justice Coordinating Council	$1,065,466	$242,173	$242,173				
			$584,757	**$473,865**			**$249**	**$198**
			$806,171	**$532,475**			**$11,171**	**$11,624**
US Dept of Labor	Atlanta Regional Commission	$118,486	$112,323	$111,065				
			$112,323	**$111,065**				

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2011

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
U.S. Department of Transportation					
Airport Improvement Program	20.106	GADOT 11-AP(135)	AP011-9016-28(135)	3/14/11	7/31/13
SUBTOTAL					
Highway Planning and Construction	20.205	ARRA-GADOT 06-825	CSSTP-0006-00(825)	7/13/09	10/28/11
Highway Planning and Construction	20.205	ARRA-GADOT 08-829	CSSTP-0006-00(829)	7/13/09	10/28/11
Highway Planning and Construction	20.205	GADOT 00(430)	MSL00-0004-00(430)	12/1/10	6/30/13
Highway Planning and Construction	20.205	GADOT 00(430)A	MSL00-0004-00(430)	12/1/10	6/30/13
Highway Planning and Construction	20.205	GADOT 01(063)	BRST0-0054-01(063)	1/18/11	6/30/12
Highway Planning and Construction	20.205	GADOT 06-828	CSSTP-0006-00828	5/2/06	12/31/10
Highway Planning and Construction	20.205	GADOT 06-830	CSSTP-0006-00830	5/2/06	3/30/10
Highway Planning and Construction	20.205	GADOT 06-TE8149	TEE-0008-00(149)	8/1/06	12/31/12
Highway Planning and Construction	20.205	GADOT 08(034)	CSHPP-0008-00(34)	5/3/10	8/31/11
Highway Planning and Construction	20.205	GADOT 08-615	STP00-0005-00(825)	11/4/08	7/31/10
Highway Planning and Construction	20.205	GADOT 08-616	STP00-0005-00(688)	11/4/08	6/30/10
Highway Planning and Construction	20.205	GADOT 08-HWY 78 CID	CSSTP-0008-00(905)	10/7/08	6/30/14
Highway Planning and Construction	20.205	GADOT 08-TE109	STP00-0000-00(109)	11/18/08	12/31/10
Highway Planning and Construction	20.205	GADOT 10(195)	STP00-000E-00(195)	5/18/10	12/31/11
Highway Planning and Construction	20.205	GADOT CMAQ 2010(029)	CM000-00SW-00(029)	5/18/10	12/31/11
Highway Planning and Construction	20.205	GADOT HPP 2010(033)	CSHPP-0008-00(033)	7/20/10	10/22/12
Highway Planning and Construction	20.205	GRTA-2005	N/A	9/1/05	12/31/12
Highway Planning and Construction	20.205	ARRA -GADOT 06-825	CSSTP-0006-00(825)	7/13/09	10/28/11
Highway Planning and Construction	20.205	ARRA -GADOT 08-829	CSSTP-0006-00(829)	7/13/09	10/28/11
Highway Planning and Construction	20.205	GADOT 06-(985)	CSSTP-0006-00(985)	1/1/11	3/31/12
Highway Planning and Construction	20.205	GADOT 06-826	CSSTP-0006-00(826)	7/19/11	8/30/13
Highway Planning and Construction	20.205	GADOT 06-827	CSSTP-0006-00(827)	7/19/11	9/30/13
Recreational Trails Program	20.219	GADNR-07(GPTC)	NRT-04(20)	1/18/07	1/31/12
SUBTOTAL – Highway Planning and Construction Cluster					
Federal Transit-Metropolitan Planning	20.505	FTA-006	GA-39-0006-00	12/31/10	12/31/12
SUBTOTAL					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
US Dept of Transportation	GA Dept of Transportation	$991,108	$932,836	$868,719		$21,485		
			$932,836	**$868,719**		**$21,485**		
US Dept of Transportation	GA Dept of Transportation	$1,042,614	$75,839	$124,178				
US Dept of Transportation	GA Dept of Transportation	$1,177,587	$254,594	$300,744				
US Dept of Transportation	GA Dept of Transportation	$36,890,000	$4,530,872	$231,110				
US Dept of Transportation	GA Dept of Transportation	$2,550,000	$2,550,000	$2,550,000				
US Dept of Transportation	GA Dept of Transportation	$2,300,000	$30,950					
US Dept of Transportation	GA Dept of Transportation	$1,166,092	$(3,296)	$57,535				
US Dept of Transportation	GA Dept of Transportation	$611,747	$14,860	$42,506				
US Dept of Transportation	GA Dept of Transportation	$625,000	$228,630	$228,630				
US Dept of Transportation	GA Dept of Transportation	$359,960						
US Dept of Transportation	GA Dept of Transportation	$848,500	$4,710	$46,900				
US Dept of Transportation	GA Dept of Transportation	$789,030		$36,824				
US Dept of Transportation	GA Dept of Transportation	$762,241	$85,287	$85,287				
US Dept of Transportation	GA Dept of Transportation	$272,000						
US Dept of Transportation	GA Dept of Transportation	$790,400	$516,758	$490,920				
US Dept of Transportation	GA Dept of Transportation	$179,200	$179,200	$179,200				
US Dept of Transportation	GA Dept of Transportation	$449,950	$449,947	$357,509		$89,377		
US Dept of Transportation	GA Regional Transportation Agency	$8,884,111	$1,675,302	$1,675,302			$895,290	$3,547,148
US Dept of Transportation	GA Dept of Transportation	$153,185	$44,965	$9,976				
US Dept of Transportation	GA Dept of Transportation	$206,967	$123,140	$61,371				
US Dept of Transportation	GA Dept of Transportation	$1,099,564	$548,335	$522,494				
US Dept of Transportation	GA Dept of Transportation	$346,068	$97,286	$92,421				
US Dept of Transportation	GA Dept of Transportation	$332,066	$50,434	$47,912				
US Dept of Transportation	GA Department of Natural Resources	$100,000	$100,000	$100,000				
			$11,557,813	**$7,240,819**		**$89,377**	**$895,290**	**$3,547,148**
US Dept of Transportation	Federal Transit Administration	$600,000	$84,332	$84,332				
			$84,332	**$84,332**				

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2011

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
Federal Transit-Formula Grant	20.507	ARRA-FTA-004	GA-96-X004-00	7/13/09	12/31/12
Federal Transit-Formula Grant	20.507	FTA-170	GA-90-X170-00	9/2/02	12/31/15
Federal Transit-Formula Grant	20.507	FTA-192	GA-90-X192-00	9/18/03	12/31/15
Federal Transit-Formula Grant	20.507	FTA-192 (OPERATING)	GA-90-X192-00	9/18/03	12/31/15
Federal Transit-Formula Grant	20.507	FTA-2010 (OPERATING)	GA-90-X287-00	6/15/10	12/31/15
Federal Transit-Formula Grant	20.507	FTA-203	GA-90-X203-01	1/1/05	12/31/15
Federal Transit-Formula Grant	20.507	FTA-203 (OPERATING)	GA-90-X203-01	1/1/05	12/31/15
Federal Transit-Formula Grant	20.507	FTA-218 (OPERATING)	GA-90-X218-00	9/6/05	12/31/15
Federal Transit-Formula Grant	20.507	FTA-231	GA-90-X231-00	9/12/06	12/31/15
Federal Transit-Formula Grant	20.507	FTA-231 (OPERATING)	GA-90-X231-01	9/12/06	12/31/15
Federal Transit-Formula Grant	20.507	FTA-251 (OPERATING)	GA-90-X251-00	9/26/07	12/31/15
Federal Transit-Formula Grant	20.507	FTA-275 (OPERATING)	GA-90-X275-00	1/22/09	12/31/15
SUBTOTAL					
New Freedom Program	20.521	MARTA-10/NEW FREEDOM	GA-57-X002-02	11/1/10	6/30/12
SUBTOTAL					
State and Community Highway Safety	20.600	GOHS-10/11(DUI)	GA-2011-000-00405	10/1/10	9/30/11
State and Community Highway Safety	20.600	GOHS-11/12(DUI)	2012-GA-0032-00	10/1/11	9/30/12
State and Community Highway Safety	20.600	GOHS-11(MATEN)	TEN-2012-000-00287	10/1/11	9/30/12
SUBTOTAL					
TOTAL US DEPT OF TRANSPORTATION					
U.S. Environmental Protection Agency					
Congressionally Mandated Projects	66.202	EPA-2000	XP9740-13-00-0	10/1/00	12/31/13
SUBTOTAL					
Capitalization Grants for Clean Water State Revolving Funds	66.458	ARRA-GEFA-2009-1	CWSRF 09-055	9/1/09	12/31/12
Capitalization Grants for Clean Water State Revolving Funds	66.458	ARRA-GEFA-2009-2	CWSRF 04-005(3)	9/1/09	12/31/12
Capitalization Grants for Clean Water State Revolving Funds	66.458	F-0240	CWSRF 03-002NP	9/12/04	Completed
Capitalization Grants for Clean Water State Revolving Funds	66.458	F-0138	CWSRF 04-005(2)	9/13/06	Completed
SUBTOTAL					
Nonpoint Source Implementation Grant	66.460	EPD-2008	751-90059	8/25/08	11/30/11
SUBTOTAL					
TOTAL US ENVIRONMENTAL PROTECTION AGENCY					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
US Dept of Transportation	Federal Transit Administration	$9,444,886	$2,249,327	$2,249,327				
US Dept of Transportation	Federal Transit Administration	$6,198,544	$4,410	$4,410				
US Dept of Transportation	Federal Transit Administration	$270,319	$1,942	$1,942				
US Dept of Transportation	Federal Transit Administration	$1,938,053	$120,000	$120,000				
US Dept of Transportation	Federal Transit Administration	$3,843,313	$526,610	$526,611				
US Dept of Transportation	Federal Transit Administration	$123,808	$45,503	$45,503				
US Dept of Transportation	Federal Transit Administration	$8,256,291	$60,338	$60,337				
US Dept of Transportation	Federal Transit Administration	$1,165,373	$188,832	$188,832				
US Dept of Transportation	Federal Transit Administration	$1,996,926	$39,655	$39,655				
US Dept of Transportation	Federal Transit Administration	$3,849,228	$128	$128				
US Dept of Transportation	Federal Transit Administration	$3,879,151	$3,154,705	$3,154,942				
US Dept of Transportation	Federal Transit Administration	$1,715,225	$207,656	$207,655				
			$6,599,106	**$6,599,342**				
US Dept of Transportation	Federal Transit Administration	$85,745	$54,038	$37,462				$41,807
			$54,038	**$37,462**				**$41,807**
US Dept of Transportation	Governors Office of Highway Safety	$28,733	$21,748	$21,748			$7,249	$6,496
US Dept of Transportation	Governors Office of Highway Safety	$29,000	$7,811	$7,811			$2,604	$3,175
US Dept of Transportation	Governors Office of Highway Safety	$15,000	$6,196	$6,196				
			$35,755	**$35,755**			**$9,853**	**$9,671**
			$19,263,880	**$14,866,429**		**$110,862**	**$905,143**	**$3,598,626**
US Environmental Protection Agency		$2,619,550	$193,466	$178,251				
			$193,466	**$178,251**				
US Environmental Protection Agency	GA Environmental Finance Authority	$5,000,000	$748,820	$2,831,320				
US Environmental Protection Agency	GA Environmental Finance Authority	$10,000,000		$500,000				
US Environmental Protection Agency	GA Environmental Finance Authority	$5,000,000		$39,984				
US Environmental Protection Agency	GA Environmental Finance Authority	$23,000,000		$93,006				
			$748,820	**$3,464,310**				
US Environmental Protection Agency	GA Environmental Protection Division	$600,000	$278,036	$306,095				
			$278,036	**$306,095**				
			$1,220,322	**$3,948,656**				

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2011

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
U.S. Department of Energy					
Weatherization Assistance for Low-Income Persons	81.042	ARRA/DOE-2009	DOER-ARRA-DOE-WX-09/12	8/1/09	12/31/11
SUBTOTAL					
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	ARRA-DOE-09(ENERGY)	DE-EE0000805	8/24/09	8/23/12
SUBTOTAL					
TOTAL US DEPT OF ENERGY					
U.S. Department of Health And Human Services					
Special Programs for the Aging – Title III, Part B – Supportive Services and Senior Center	93.044	AR08-IIIB	AG0912	7/1/08	12/31/11
Special Programs for the Aging – Title III, Part B – Supportive Services and Senior Center	93.044	AR09-IIIB	AG1010	7/1/09	12/31/11
Special Programs for the Aging – Title III, Part B – Supportive Services and Senior Center	93.044	AR10-IIIB	AG1117	7/1/10	6/30/12
Special Programs for the Aging – Title III, Part B – Supportive Services and Senior Center	93.044	AR11-IIIB	AG1210	7/1/11	6/30/12
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	AR08-IIIC	AG0912	7/1/08	12/31/11
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	AR09-IIIC	AG1010	7/1/09	6/30/12
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	AR10-IIIC	AG1117	7/1/10	6/30/12
Special Programs for the Aging – Title III, Part C – Supportive Services and Senior Center	93.045	AR11-IIIC	AG1210	7/1/11	6/30/12
Nutrition Services Incentive Program	93.053	AR08-USDA	AG0912	7/1/08	12/31/11
Nutrition Services Incentive Program	93.053	AR09-NSIP	AG1010	7/1/09	12/31/11
Nutrition Services Incentive Program	93.053	AR10-NSIP	AG1117	7/1/10	6/30/12
Nutrition Services Incentive Program	93.053	AR11-NSIP	AG1210	7/1/11	6/30/12
SUBTOTAL – Aging Cluster					
National Family Caregiver Support	93.052	AR10-IIIE	AG1117	7/1/10	12/31/11
National Family Caregiver Support	93.052	AR11-IIIE	AG1210	7/1/11	6/30/12
SUBTOTAL					
Social Services Block Grant	93.667	AR09-SSBG	AG1010	7/1/09	12/31/11
Social Services Block Grant	93.667	AR10-SSBG	AG1117	7/1/10	6/30/12
Social Services Block Grant	93.667	AR11-SSBG	AG1210	7/1/11	6/30/12
SUBTOTAL					
Medical Assistance Program	93.778	GADCH-09/10	000272742B	7/1/09	12/31/11
Medical Assistance Program	93.778	GADCH-10/11	000272742B	7/1/10	6/30/12
Medical Assistance Program	93.778	GADCH-11/12	000272742B	7/1/11	6/30/12
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 Energy	GA Environmental Finance Authority	$1,211,450					$128	$128
							$128	**$128**
US Dept of Energy		$7,312,700	$5,205,927	$4,496,839				
			$5,205,927	**$4,496,839**				
			$5,205,927	**$4,496,839**			**$128**	**$128**
US Dept of Health and Human Services	Atlanta Regional Commission	$141,818	$287		$17		$34	
US Dept of Health and Human Services	Atlanta Regional Commission	$141,818	$2,673		$157		$314	
US Dept of Health and Human Services	Atlanta Regional Commission	$141,818	$60,659	$63,169	$3,568	$3,714	$7,136	$7,852
US Dept of Health and Human Services	Atlanta Regional Commission	$141,818	$74,414	$68,375	$4,377	$4,022	$8,755	$9,561
US Dept of Health and Human Services	Atlanta Regional Commission	$342,199	$4,379		$258		$515	
US Dept of Health and Human Services	Atlanta Regional Commission	$342,198	$74,623		$4,390		$8,779	$(280)
US Dept of Health and Human Services	Atlanta Regional Commission	$378,486	$181,514	$175,609	$10,677	$10,328	$21,355	$25,448
US Dept of Health and Human Services	Atlanta Regional Commission	$378,486	$128,057	$188,106	$7,533	$11,067	$15,066	$37,019
US Dept of Health and Human Services	Atlanta Regional Commission	$44,281	$16		$2			
US Dept of Health and Human Services	Atlanta Regional Commission	$50,558	$5,820					
US Dept of Health and Human Services	Atlanta Regional Commission	$41,552	$19,441	$20,025				
US Dept of Health and Human Services	Atlanta Regional Commission	$81,880	$27,800	$26,513		$10,060		
			$579,683	**$541,797**	**$30,979**	**$39,191**	**$61,954**	**$79,600**
US Dept of Health and Human Services	Atlanta Regional Commission	$52,469	$18,414	$19,148	$3,683	$3,829	$2,455	$2,557
US Dept of Health and Human Services	Atlanta Regional Commission	$52,469	$22,625	$21,734	$4,525	$4,347	$3,017	$2,897
			$41,039	**$40,882**	**$8,208**	**$8,176**	**$5,472**	**$5,454**
US Dept of Health and Human Services	Atlanta Regional Commission	$103,294	$1,339				$183	
US Dept of Health and Human Services	Atlanta Regional Commission	$112,094	$66,863	$54,863			$9,118	$7,699
US Dept of Health and Human Services	Atlanta Regional Commission	$103,294	$52,041	$58,635			$7,096	$9,536
			$120,243	**$113,498**			**$16,397**	**$17,235**
US Dept of Health and Human Services	GA Department of Community Health	$71,281	$10,560					
US Dept of Health and Human Services	GA Department of Community Health	$59,522	$26,682	$37,374				
US Dept of Health and Human Services	GA Department of Community Health	$65,802	$8,688	$21,475				
			$45,930	**$58,849**				
			$786,895	**$755,026**	**$39,187**	**$47,367**	**$83,823**	**$102,289**

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2011

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
U.S. Department of Homeland Security					
Public Assistance Grants	97.036	GADHS-2009(FLOOD)	FEMA-1858-DR-GA	9/26/09	7/31/11
SUBTOTAL					
Hazard Mitigation Plan	97.039	GEMA HMGP-1686-15	HMGP-1686-0015	4/2/09	12/31/11
SUBTOTAL					
Emergency Management Performance Grants	97.042	GADHS-09(P09-9-069)	P-09-9-069	7/1/09	9/15/10
Emergency Management Performance Grants	97.042	GADHS-10(EP-00-0013)	2010-EP-00-0013	7/1/10	12/31/11
Emergency Management Performance Grants	97.042	GADHS-11(EP-00-0015)	2011-EP-00-0015	7/1/11	6/30/12
SUBTOTAL					
Assistance to Firefighters Grant	97.044	DHS-11	EMW-2010-FO-09156	1/22/11	2/10/12
SUBTOTAL					
Homeland Security Grant Program Cluster	97.053	GADHS-09(BW2086-CIT)	2008-GE-T8-0017	9/1/08	1/31/12
Homeland Security Grant Program Cluster	97.053	GADHS-10(BW2374-CIT)	2009-SS-T9-0047	8/21/09	6/30/12
Homeland Security Grant Program Cluster	97.067	GADHS-09(BW2241)	2008-GE-T8-0017	9/1/08	3/31/11
Homeland Security Grant Program Cluster	97.067	GADHS-09(BW2242)	2008-GE-T8-0017	9/1/08	12/31/11
Homeland Security Grant Program Cluster	97.067	GADHS-10(BW2294)	2008-GE-T8-0017	9/1/08	1/31/12
Homeland Security Grant Program Cluster	97.067	GADHS-10(BW2345)	2009-SS-T9-0047	8/21/09	6/30/12
Homeland Security Grant Program Cluster	97.067	GADHS-10(BW2405)	2009-SS-T9-0047	8/21/09	6/30/12
Homeland Security Grant Program Cluster	97.067	GADHS-11(BW0982-EQU)	2007-GE-T7-0054	7/1/07	2/15/12
Homeland Security Grant Program Cluster	97.067	GADHS-11(BW2490)	2010-SS-T0-0034	8/1/10	7/31/12
Homeland Security Grant Program Cluster	97.067	GADHS-11(BW2537)	2010-SS-T0-0034	8/1/10	7/31/12
Homeland Security Grant Program Cluster	97.067	GADHS-11(BW2573)	2010-SS-T0-0034	8/1/10	7/31/12
Homeland Security Grant Program Cluster	97.067	GADHS-11(BW2598)	2009-SS-T9-0047	8/21/09	6/30/12
SUBTOTAL – Homeland Security Cluster					
State Homeland Security Program (SHSP)	97.073	GADHS-09(BW2240)	2008-GE-T8-0017	9/1/08	1/31/12
SUBTOTAL					
Buffer Zone Protection Plan (BZPP)	97.078	GADHS-10(BW2268)	2008-BZ-T8-0034	9/1/08	2/15/12
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		$425,262	$425,262				
			$425,262	**$425,262**				
US Dept of Homeland Security	Federal Emergency Management Agency	$156,563					$5,222	
							$5,222	
US Dept of Homeland Security	GA Dept of Homeland Security	$100,000	$525					
US Dept of Homeland Security	GA Dept of Homeland Security	$100,250	$100,500	$250				
US Dept of Homeland Security	GA Dept of Homeland Security	$100,000	$3,527	$100,000				
			$104,552	**$100,250**				
US Dept of Homeland Security		$216,000	$216,000	$216,000				
			$216,000	**$216,000**				
US Dept of Homeland Security	GA Dept of Homeland Security	$19,037	$2,146	$2,166				
US Dept of Homeland Security	GA Dept of Homeland Security	$20,000	$13,566	$13,311				
US Dept of Homeland Security	GA Dept of Homeland Security	$25,000	$1,538	$1,700				
US Dept of Homeland Security	GA Dept of Homeland Security	$452,807	$56,698	$56,726				
US Dept of Homeland Security	GA Dept of Homeland Security	$12,500	$8,066	$8,150				
US Dept of Homeland Security	GA Dept of Homeland Security	$43,000	$40,328	$40,328				
US Dept of Homeland Security	GA Dept of Homeland Security	$23,000	$8,256	$8,173				
US Dept of Homeland Security	GA Dept of Homeland Security	$25,000	$25,000	$25,000				
US Dept of Homeland Security	GA Dept of Homeland Security	$278,400	$55,626	$55,626				
US Dept of Homeland Security	GA Dept of Homeland Security	$20,000	$872	$872				
US Dept of Homeland Security	GA Dept of Homeland Security	$20,000	$20,000	$20,000				
US Dept of Homeland Security	GA Dept of Homeland Security	$20,615	$12,085	$12,005				
			$244,181	**$244,057**				
US Dept of Homeland Security	GA Dept of Homeland Security	$61,430	$3,893	$3,964				
			$3,893	**$3,964**				
US Dept of Homeland Security	GA Dept of Homeland Security	$193,000	$15,711	$15,397				
			$15,711	**$15,397**				
			$1,009,599	**$1,004,930**			**$5,222**	
			$34,081,898	**$30,607,937**	**$39,187**	**$158,229**	**$5,914,453**	**$8,349,852**

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2011

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
State/Local Assistance					
Alzheimer's Program	N/A	AR09-ALZ	AG1010	7/1/09	12/31/11
Alzheimer's Program	N/A	AR10-ALZ	AG1117	7/1/10	6/30/12
Alzheimer's Program	N/A	AR11-ALZ	AG1210	7/1/11	6/30/12
Capital Improvement Assistance	N/A	GADOT#06-014	PT000-2001-06-014	6/30/06	12/31/12
Capital Improvement Assistance	N/A	GADOT#08-011 (OPER)	PT000 2001-08-011	6/30/08	12/31/11
Capital Improvement Assistance	N/A	GADOT-0012	PT000-2001-00-012	1/1/05	12/31/13
Capital Improvement Assistance	N/A	GADOT-006 (OPER)	PT000 2001-07-006	6/15/07	12/31/11
Capital Improvement Assistance	N/A	GADOT-008 (OPER)	PT000 2001-09-008	1/1/09	12/31/12
Capital Improvement Assistance	N/A	GADOT-011	PT000-2001-03-011	2/24/03	12/31/11
Capital Improvement Assistance	N/A	GADOT-017	PT000-2001-01-017	6/29/01	12/31/11
Capital Improvement Assistance	N/A	GADOT-017 (OPER)	PT000-2001-01-017	1/1/05	12/31/11
Capital Improvement Assistance	N/A	GAEMS-11	N/A	1/4/11	1/31/12
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR09-CBS	AG1010	7/1/09	6/30/10
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR10-CBS	AG1117	7/1/10	6/30/12
Community Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR11-CBS	AG1210	7/1/11	6/30/12
Dowpayment Assistance Program	N/A	GHA-2010	GWT HOUSING AUTH - 2010	6/15/10	3/31/12
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	GADHS-FAMCONN 10/11	427-93-11110120-99	7/1/10	8/31/11
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	GADHS-FAMCONN 11/12	427-93-121200121-99	7/1/11	6/30/12
Fireman's Fund Insurance Company	N/A	FFIC-2011	N/A	7/19/11	7/19/12
Intern Program	N/A	ACCG-2010	N/A	5/1/10	1/31/12
Special Program for Aging	N/A	AR08-ITCO	AG0912	7/1/08	6/30/09
Special Program for Aging	N/A	AR09-ITCO	AG1010	7/1/09	6/30/10
Special Program for Aging	N/A	AR10-ITCO	AG1117	7/1/10	6/30/12
TOTAL STATE/LOCAL ASSISTANCE					
GRAND TOTAL					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
	Atlanta Regional Commission	$41,586			$3,955			
	Atlanta Regional Commission	$41,586			$20,067	$22,186		$300
	Atlanta Regional Commission	$41,586			$21,647	$21,451		
	GA Dept of Transportation	$141,088			$4,957	$4,957		
	GA Dept of Transportation	$521,518			$191,740	$191,604		
	GA Dept of Transportation	$236,554						
	GA Dept of Transportation	$240,625			$35,462	$35,628		
	GA Dept of Transportation	$469,366			$257,980	$257,980		
	GA Dept of Transportation	$48,104			$551	$551		
	GA Dept of Transportation	$2,447,802			$5,931	$5,931		
	GA Dept of Transportation	$372,056			$8,498	$8,498		
	GA Association of Emergency Medical Services	$12,096					$12,096	$12,096
	Atlanta Regional Commission	$233,981			$54,366			
	Atlanta Regional Commission	$236,670			$136,812	$122,607		$559
	Atlanta Regional Commission	$266,210			$66,985	$129,996		$1,261
	Gwinnett Housing Authority	$260,000			$195,000			
	GA Dept of Human Services	$42,250			$23,820	$23,820		
	GA Dept of Human Services	$44,000			$18,244	$18,244		
	Fireman's Fund Insurance Company	$5,000					$5,000	$5,000
	Association County Commissioners of GA						$5,108	$4,853
	Atlanta Regional Commission	$2,421			$430			
	Atlanta Regional Commission	$2,079			$58			
	Atlanta Regional Commission	$2,753				$2,753		
					$1,046,503	**$846,206**	**$22,204**	**$24,069**
			$34,081,898	**$30,607,937**	**$1,085,690**	**$1,004,435**	**$5,936,657**	**$8,373,921**

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 2011, disbursements were made to sub-recipients of the following grant programs:

Program	CFDA	Amount
Community Development Block Grants/Entitlement Grants	14.218	$ 1,268,734
Emergency Shelter Grant Program	14.231	146,417
HOME Investment Partnerships Program	14.239	1,397,046
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	14.257	688,605
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12,902
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	12,495
Highway Planning and Construction	20.205	313,917
Weatherization Assistance for Low-Income Persons	81.042	128
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	42,064
Dowpayment Assistance Program	N/A	195,000
Total		$ 4,077,507

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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 14, 2012. Our report includes a reference to other auditors and to the implementation of a new accounting standard on fund balance classification and governmental fund definitions. 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

Management of the County is responsible for establishing and maintaining effective 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.

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.

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Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding 2011-1, that we consider to be a significant deficiency in internal control over financial reporting. 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.

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 May 14, 2012.

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

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
May 14, 2012

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 Gwinnett County, Georgia's (the "County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. 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 $8,850,264 in federal awards which are not included in the Schedule of Expenditures of Federal, State, and Local Awards for the year ended December 31, 2011. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. 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, 2011.

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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 14, 2012

GWINNETT COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

(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: **no**
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:

Homelessness Prevention & Rapid Re-Housing Program, CFDA #14.257
Energy Efficiency & Conservation Block Grant Program, CFDA #81.128
Edward Byrne Memorial Justice Assistance Grant Cluster, CFDA #16.738, 16.803 & 16.804
Highway Planning & Construction Cluster, CFDA #20.205 & 20.219
Federal Transit Formula Grants, CFDA #20.507

GWINNETT COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

(h) Dollar threshold to distinguish between Type A and Type B programs: **$1,022,457**

(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*

Finding 2011-1 - 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 certain accounts of the Clerk of Courts, Sheriff, and Corrections 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.

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

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

Finding 2011-1 - Maintenance of a Ledger of Amount Owed by Agency Funds (continued)

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

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 met with the elected officials several times throughout the year to offer assistance and discuss possible solutions. During 2011, the County in coordination with the elected officials resolved two of the findings related to the Sheriff's Office and the Juvenile Court. The Department of Financial Services will continue to offer assistance to elected officials and department directors to ensure that adequate records are maintained and reconciled to the respective cash balances.

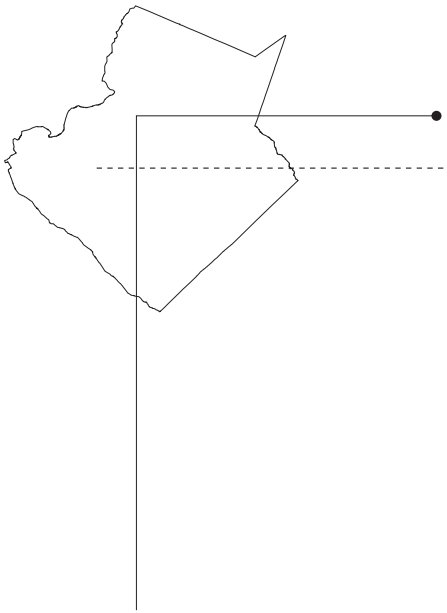
(3) Findings and Questioned Costs Relating to Federal Awards

None.

(4) Status of Prior Year Findings

None.

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disclosure section

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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 2002*
- *Water and Sewerage Authority Refunding Bonds, Series 2003b*
- *Water and Sewerage Authority Refunding Bonds, Series 2005*
- *Water and Sewerage Authority Refunding Bonds, Series 2006*
- *Water and Sewerage Authority Revenue Bonds, Series 2008*
- *Water and Sewerage Authority Revenue Bonds, Series 2009a & b*
- *Water and Sewerage Authority Refunding Bonds, Series 2011*

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

primarily 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 utilize 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 25 mgd, 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 2011. 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 annually since then with the 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. An updated Vulnerability Assessment is scheduled in 2012.

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-inch loop near Lawrenceville. The Shoal Creek Filter Plant construction included a new transmission main to connect the plant to the existing Lanier Filter Plant. In 2008 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 was constructed. This greatly reinforces the county loop system and adds reliability.

Distribution Mains. The distribution main system consists of approximately 3,665 miles of pipes of various sizes that draw water from the transmission main system for distribution to customers. Over 50% 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 14 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 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 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 the Rock Quarry Road 10 mg tank in Buford and the 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, 2011, the Water System had 228,213 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 2002 – 2011

The following table shows the average daily consumption, in mgd, of water billed by the Water System during the years 2002 through 2011:

	Gwinnett County Consumption		Out-of-County Consumption	Total Average Daily
Year	Retail	Wholesale	Wholesale	Consumption
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
2011	63.81	2.47	0.11	66.39

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 increased to 13 percent. For 2010, non-revenue water decreased and was approximately 11 percent. On June 1, 2010 the Governor signed the Georgia Water Stewardship Act of 2010 (SB 370). This act states that all water providers in the state of Georgia with a population "equal to or greater than 3,300" must implement a water loss control program and conduct an annual water system audit using AWWA's Free Water Audit Software. With using a new method for calculating the non-revenue water we have seen an increase to 15% for 2011. The Department of Water Resources continues with a task force that is working towards 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; b) testing and replacing large water meters; and c) reducing the pressure in certain areas of the county by re-establishing pressure zones throughout the County.

The following tables show the 10 largest retail and wholesale customers of the Water System during the 12 months ended December 31, 2011. Total water usage during the 12 months ending December 31, 2011 was 24,234,342.6/thousands of gallons, generating $98,524,278.55 in usage revenues (excluding late fees). No single retail customer accounted for more than 1.41 percent of total Water System usage revenues in 2011, and the 10 largest retail customers together accounted for 4.82 percent of such revenues.

No single wholesale customer accounted for more than 2.70 percent of total Water System usage revenues in 2011, and the 8 wholesale customers together accounted for 3.99 percent of such revenues. In addition to regular water revenues, we generated $13,367,531.70 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 – 2011

Customer	Thousands of Gallons-Per-Year	mgd	Total Revenues Received
Gwinnett County Government	283,940.5	0.78	$1,393,047.80
Gwinnett County Board of Education	254,188.9	0.70	$1,172,070.13
Publix	143,173.0	0.39	$625,827.53
Phillips State Prison	75,816.8	0.21	$330,937.62
Suniva Inc	60,561.4	0.17	$264,853.52
OFS Brightwave	58,875.1	0.16	$257,571.70
Quality Technology Services	46,823.2	0.13	$204,721.08
Management Assoc	40,149.2	0.11	$175,361.74
Cottonwood Bristol PT	37,923.3	0.10	$165,802.36
Overlook at Berkeley Lake	36,930.1	0.10	$161,481.30
TOTAL	1,038,381.5	2.85	$4,751,674.78

Water Use: Wholesale Water Customers – 2011

Customer	Thousands of Gallons-Per-Year	mgd	Total Revenues Received
City of Lawrenceville	610,745.19	1.67	$2,658,028.52
City of Norcross	277,977.30	0.76	$1,037,554.87
Town of Braselton	17,076.40	0.05	$75,166.39
City of Loganville	12,806.10	0.04	$56,438.08
City of Buford	11,013.70	0.03	$48,297.23
Walton County Water	8,860.70	0.02	$39,093.20
City of Suwanee	3,385.30	0.01	$14,936.17
Barrow County Water	52.10	0.00	$229.89
TOTAL	941,916.79	2.58	$3,929,744.35

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"	$240.00
6"	$400.00
8"	$750.00

Retail Monthly Water Charges

Volume Charge. All accounts shall be charged the following volume charge for water that passes through the water meter:

Current 2011	Effective January 1, 2012	Effective January 1, 2013
Tier 1: $4.38/1,000 gal	Tier 1: $4.53/1,000 gal	Tier 1: $4.69/1,000 gal
Tier 2: $6.57/1,000 gal	Tier 2: $6.79/1,000 gal	Tier 2: $7.03/1,000 gal
Tier 3: $8.76/1,000 gal	Tier 3: $9.06/1,000 gal	Tier 3: $9.38/1,000 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 less than 8,000 gallons, Tier 2 rates are applied to consumption 8,000-12,000 gallons, and Tier 3 rates are applied to consumption greater than 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 2011	Effective January 1, 2012	Effective January 1, 2013
$8.76/1,000 gallons	$9.06/1,000 gallons	$9.38/1,000 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, 2009):

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, 2007	January 1, 2008	January 1, 2009	January 1, 2010	January 1, 2011
¾"	$ 1,418	$ 1,418	$ 1,418	$ 1,128	$ 1,128
1"	4,807	4,807	4,807	3,610	3,610
1.5"	11,573	11,573	11,573	8,573	8,573
2"	20,063	20,063	20,063	15,679	15,679
3"	43,179	43,179	43,179	39,142	39,142
4"	45,910	45,910	45,910	62,830	62,830
6"	172,561	172,561	172,561	125,434	125,434
8"	257,506	257,506	257,506	200,671	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, 87 mgd, 87 mgd, and 91 mgd for the years 2001 – 2011, 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
- 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.

On June 28, 2011 the Federal Eleventh Circuit Court of Appeals ruled on the appeal of Judge Magnuson's Decision and reversed the decision and remanded to the District Court and the United States Corps of Engineers saying the Corps of Engineers did not constitute a final agency action when it denied Georgia's 2000 water supply request. The court gave the Corps of Engineers one year to complete its analysis of its water supply authority and release its conclusions. The County awaits the Corps of Engineers determination. The County continues to pursue getting the Corps of Engineers to give credit for the volume of water returned to Lake Lanier and subtracts this amount from the water withdrawn for payment of the $18.80 per million gallons withdrawn.

The Sewerage System

The sewage treatment facilities of the System (the "Sewerage System") are comprised of three 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, Jacks Creek, and Jackson Creek were taken out of service in 2009, 2010, and 2011 respectively. Total permitted treatment capacity currently available to Gwinnett County is 103.0 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 treatment facilities are the F. Wayne Hill Water Resources Center (WRC), the Yellow River WRF, and the Crooked 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 2011.

Sewerage System Capacity and Usage in 2011

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

Wastewater Treatment Facility	Permit	ADMMF	AADF
F. Wayne Hill WRC	60.0	36.84	31.40
Crooked Creek WRF	16.0	9.24	7.96
Yellow River WRF	22.0(2)	11.54	7.50
Pole Bridge WPCF (1)	5.0	1.50	1.30
Jackson Creek WRF (3)	(3)	2.98	1.42
TOTAL System(4)	**103.0**	**55.13**	**49.58**

(1) Plant capacity at Pole Bridge is used through an agreement with DeKalb County.
(2) Yellow River WRF expansion went into operation in June 2011, and permit capacity increased from 13.5 mgd to 22 mgd .This includes the permit capacity from Beaver Ruin WRF (4.5 mgd), Jacks Creek WRF (1 mgd), and Jackson Creek (3 mgd) which are decommissioned facilities.
(3) Jackson Creek WRF permit capacity of 3 mgd was included in the 22 mgd permit for Yellow River WRF. Jackson Creek WRF ceased operations on June 27th, 2011.
(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, four, and two for the years 2002 through 2011 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 F. Wayne Hill WRC started operation in early 2001. In late 2005, construction was completed on an additional 40 mgd of treatment capacity at the F. Wayne Hill 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 2010 the FWH WRC discharged 6,669 MG to Lake Lanier and in 2011 the FWH WRC discharged 9371 MG to Lake Lanier.

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 economies of scale that is achieved by building and operating a single large facility. The Yellow River WRF reconstruction went into operation in June 2011, and thus the permitted capacity increased from 13.5 to 22.0 mgd. The Jackson Creek WRF was also decommissioned in June 2011 by diverting the flows to Yellow River WRF.

The Crooked Creek WRF Improvement project started in 2009 to provide sufficient and reliable treatment capacity. Tasks to be completed in 2011 include: a new influent pump station with in-line grinders; a new Headworks with band screens and vortex grit removal.

In August 2011, Gwinnett County completed the Gas-to-Energy and Fats, Oils,and Grease/High-Strength Waste Receiving Facilities at F. Wayne Hill Water Resources Center at a cost of $5-million and $3.5-million, respectively, funded through the American Reinvestment and Recovery Act. Gwinnett County has realized a savings of more than $1,000 per day since the start of the generator engine in August 2011. Both projects received an Achievement Award from National Association of Counties.

Collection System. Gwinnett County has approximately 2,650 miles of sewers ranging in size from eight inches to 72 inches in diameter, and approximately 225 active pump stations. 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 2003 Water and Wastewater Master Plan Update outlined future areas to be served by the sewer system and projected 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 – 2011 were 42, 33, 31, 30, and 22. The County has a program to address these issues.

The County 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) 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. At that point, flows from the Alcovy Pump Station are added, and all flow is then pumped directly to the F. Wayne Hill WRC. In October 2010, 16,000-foot long 12-foot diameter NBC Tunnel and 215-deep 5.5-mgd Lift Station project was completed at the cost of $64-million. The sewer collected Southside of the County is now pumped to Beaver Ruin pump station and then to F. Wayne Hill Water Resources Center. This project won one of the five State Awards from the American Council of Engineering Companies.

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, 2011.

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, 2011, the Sewerage System had 148,714 retail customers. The City of Norcross uses the Sewerage System facilities on a wholesale basis. Norcross has been billed for 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. Beginning January 1st, 2012, we have a new agreement with DeKalb County where each party pays retail sewer rates for all wastewater treated. 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 are 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 2011. Total sewer usage during 2011 was 15,743,246.8/thousands of gallons, generating $97,418,191.46 in usage revenues (excluding late fees). No single retail user accounted for more than 1.25 percent of total Sewerage System revenues in 2011, and the 10 largest users together accounted for 4.97 per-

cent 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 0.37 mgd of wastewater in 2011 and was billed $309,759.77. The City of Norcross produced 0.72 mgd of wastewater in 2011 and was billed $2,205,131.51*. These two wholesale customers accounted for 2.58 percent of the total Sewerage System revenues**.

** Of the total amount billed to Norcross, $1,786,920.06 was billed for their share of the 2010 Capital Projects. This bill is still outstanding as of the CAFR publishing date. Total outstanding of their share of the 2008, 2009, and 2010 Capital Projects is $5,939,039.82.*

*** The 2011 capital project bills for Norcross and DeKalb will not be completed until the 1st quarter of 2012.*

10 Largest Retail Sewerage Users – 2011

Customer	Thousands of Gallons-Per-Year	mgd	Total Revenues Received
Gwinnett County Board of Education	209,446.0	0.57	$1,221,782.73
Gwinnett County Government	184,635.5	0.51	$1,003,756.20
Publix	90,411.7	0.25	$709,900.77
Phillips State Prison	75,816.8	0.21	$444,409.56
Suniva	60,561.4	0.17	$366,709.58
Management Assoc	40,149.2	0.11	$235,549.94
Cottonwood Bristol PT	37,923.7	0.10	$222,798.37
Overlook at Berkeley Lake	36,923.7	0.10	$216,924.43
Ashby at Peachtree Corners	35,534.9	0.10	$208,821.18
MTS Sweetwater	35,453.6	0.10	$208,132.53
TOTAL	806,856.5	2.22	$4,838,785.29

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, 2011	Effective January 1, 2012	Effective January 1, 2013
$5.89/1,000 gallons	$6.47/1,000 gallons	$7.11/1,000 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, 2007	January 1, 2008	January 1, 2009	January 1, 2010	January 1, 2011
¾"	$ 2,569	$ 2,569	$ 2,569	$ 4,147	$ 4,147
1"	8,709	8,709	8,709	13,270	13,270
1.5"	20,967	20,967	20,967	31,517	31,517
2"	36,349	36,349	36,349	57,643	57,643
3"	78,227	78,227	78,227	143,901	143,901
4"	99,481	99,481	99,481	230,988	230,988
6"	312,630	312,630	312,630	461,146	461,146
8"	427,049	427,049	427,049	737,751	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)

	2011	2010	2009	2008	2007
Operating Revenues:					
Residential and commercial service	$ 248,280	$ 232,764	$ 201,134	$ 183,110	$ 191,790
Wholesale service	6,445	7,091	6,895	5,789	9,135
Public fire protection charges to other funds	652	648	517	464	442
Connection charges	373	463	259	596	1,593
Intergovernmental	1,667	6,617	–	–	–
Miscellaneous	4,476	6,348	4,679	4,327	3,490
Total operating revenues	261,893	253,931	213,484	194,286	206,450
Operating Expenses:					
Water production	15,860	15,161	16,652	15,806	14,082
Distribution and collection	29,261	26,868	25,398	26,036	25,990
Engineering	4,823	4,587	5,881	6,100	6,430
Reclamation	28,199	27,928	26,372	27,963	26,988
Depreciation and amortization	69,387	68,424	65,449	69,126	63,123
General and administrative	28,185	28,916	22,717	22,358	21,323
Total operating expenses	175,715	171,884	162,469	167,389	157,936
Operating income	86,178	82,047	51,015	26,897	48,514
Non-operating Revenues (Expenses):					
Interest Income	507	402	191	2,006	5,455
Change in fair value of investments	35	–	(64)	48	703
Interest expense	(31,530)	(36,407)	(31,281)	(33,269)	(33,986)
Loss on sale of fixed assets	(4,385)	(1,804)	(6,041)	(4,159)	(6,500)
Income before operating transfers & contributions	50,805	44,238	13,820	(8,477)	14,186
Capital contributions	15,416	10,745	16,702	59,128	89,210
Transfers in	–	74	–	–	881
Transfers out	(90)	(90)	–	–	(10)
Increase in net assets	66,131	54,967	30,522	50,651	104,267
Net assets, January 1	2,255,937	2,200,970	2,170,448	2,119,797	2,015,530
Net assets, December 31	$ 2,322,068	$ 2,255,937	$ 2,200,970	$ 2,170,448	$ 2,119,797

Security for the Bonds

General

The Series 2002, 2003b, 2005, 2006, 2008, 2009a, 2009b, and 2011 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 2002, 2003, 2005, 2006, 2008, 2009, and 2011 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.

Finally, the Water and Sewer Authority issued $163,615,000 in refunding bonds ("2011 Refunding Bonds") on July 1, 2011. The 2011 Refunding Bonds were issued to 1) refund the 2003B Bonds and 2) pay costs related to the issuance of the Bonds. The 2011 Refunding Bonds were issued at a True Interest Cost of 2.918 percent and resulted in net present value savings of $9.4 million or 5.5 percent of the refunded par amount.

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.

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 2002 and 2003. All Second Lien Bonds issued in 2004, 2005, 2006, 2008, 2009, and 2011 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 2002, 2003, 2005, 2006, 2008, 2009, and 2011 are as follows:

	First Lien		Second Lien				
Bond Year Ending December 31	Debt Service Requirements 2002	Debt Service Requirements 2003	Debt Service Requirements 2005	Debt Service Requirements 2006*	Debt Service Requirements 2008	Debt Service Requirements 2009**	Debt Service Requirements 2011***
2012	2,082,500	10,861,088	34,569,844	5,491,319	8,913,882	19,704,161	7,865,900
2013	–	10,857,338	34,548,863	7,491,419	17,128,882	19,423,361	7,865,900
2014	–	–	34,532,513	7,610,019	17,128,132	19,378,236	18,370,900
2015	–	–	34,529,287	7,510,219	17,131,883	19,151,836	18,367,350
2016	–	–	34,520,562	7,704,181	17,128,883	19,088,036	18,364,950
2017 – 2020	–	–	89,105,599	42,088,238	68,516,680	76,355,144	73,470,150
2021 – 2025	–	–	19,894,175	97,802,393	85,650,889	95,440,716	91,834,200
2026 – 2030	–	–	–	–	51,391,526	79,602,192	–
Total	2,082,500	21,718,426	281,700,843	175,697,788	282,990,757	348,143,682	236,139,350

* 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.

*** The Series 2003 bonds were partially defeased with the proceeds from the 2011 bond.

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.

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About the Cover

Fire Station 28

Located at 3725
Rosebud Road in Loganville

Opened June 17, 2008

Paid for by SPLOST at a cost of $2.3 million,
15 percent below budget

8,800 square foot, two-bay prototype

Fire Training Academy

Provides basic firefighter, emergency medical technician, paramedic, apparatus certification, and many other career development programs

In 2010, the Fire Academy provided entry level training for 102 new recruits as well as recertification/career development training for all 845 department personnel

gwinnettcounty
75 Langley Drive
Lawrenceville, GA 30046

www.gwinnettcounty.com