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2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2014

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ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014

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INTRODUCTORY SECTION

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Gwinnett County Organizational Chart
County Administration/Department Directors
Elected and Judicially Appointed Officials
Department of Financial Services Organizational Chart
Accounting Division







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May 15, 2015

Dear Residents, 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, 2014.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in 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 & Jenkins Certified Public Accountants, LLC, 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, 2014, were 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 unmodified 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 20 – 33 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

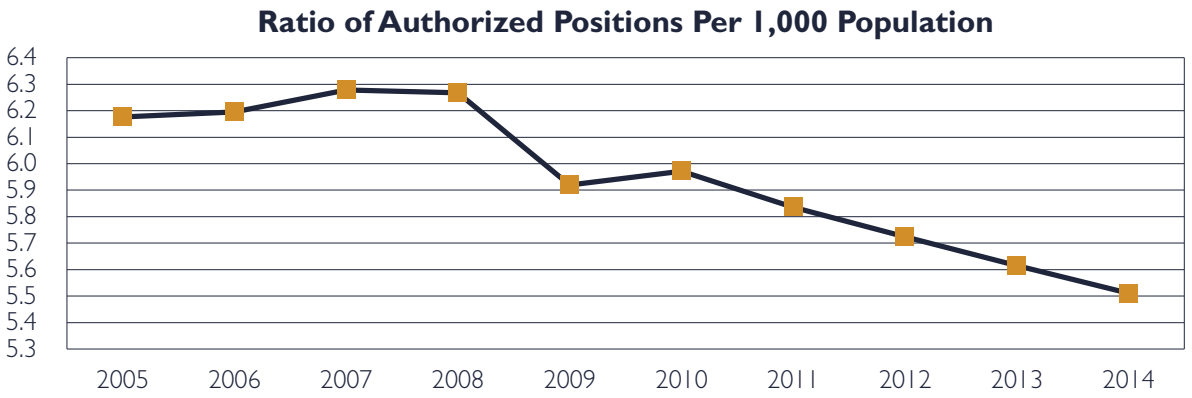
Gwinnett County is a world-class residential, business, and tourist destination that was named for Button Gwinnett, one of Georgia's three signers of the Declaration of Independence. The Georgia legislature created Gwinnett County on December 15, 1818.

Gwinnett County is known as the northeast gateway to the metropolitan Atlanta area, with Interstate 85 running generally north/south throughout the county. Located in close proximity to the Hartsfield-Jackson Atlanta International Airport, the busiest airport in the world, the county is located within a two-hour flight from 80 percent of the United States' population. There are 16 incorporated municipalities within Gwinnett County's 437 square miles, including the County's newest city – Peachtree Corners, which was created in 2011.

Population

According to estimates by the Department of Financial Services and the Department of Planning and Development, the County's population was 880,787 in 2014, and is expected to reach more than one million by the year 2020. Gwinnett's talented labor force, premier schools, rich cultural diversity, award-winning parks and recreation facilities, and affordable real estate continue to attract many businesses, newcomers, and visitors to the area. According to the U.S. Census Bureau's estimates released in March 2015, Gwinnett added an estimated 18,966 residents from July 1, 2013 to July 1, 2014, a growth rate of 2.2 percent.

During the recent economic recession, the County's growing population taken in combination with less funding and fewer employees created the challenge of balancing core services with declining tax revenue. The ratio of authorized positions to population continues to be lower than it was 15 years ago and has declined significantly since 2008.



Sources: *U.S. Census. 2014 population estimate from Gwinnett County Financial Services/Planning and Development*

Government Structure and Services Provided

The County's 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 County's daily operations. The County also has 23 other elected officials, eight judicially-appointed officials, and four retired senior judges. A complete list is located on page 14.

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

Bond Rating

Gwinnett County has maintained AAA bond ratings from all three rating agencies since 1997. The triple-AAA rating validates that Gwinnett's financial position is strong, with sound general fund reserves and excellent long-term financial planning strategies. Gwinnett is in an elite group of approximately 40 counties in the United States with this prestigious bond rating. The County's excellent credit rating has resulted in significant interest savings for Gwinnett residents and enabled the County to implement a strong capital improvement program.

Assessing the County's Economic 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

In recent years, despite a challenging economic environment, the local economy in Gwinnett County has prevailed. With assistance from programs like Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber, many international and domestic firms have relocated or expanded their operations in Gwinnett, creating additional employment opportunities in the area. Since its inception in 2006, Partnership Gwinnett has assisted in more than 200 corporate relocations and expansions, which contributed to the creation of more than 13,750 jobs in the County. From March 2013 to March 2014, Gwinnett County achieved a job growth rate of 3.5 percent, ranking it 44th among the 339 largest counties in the United States.

An emerging film industry is another indicator of the County's economic progression. Two movie studio projects are planned for the Norcross area. The under-used OFS plant is being considered as the location for a vast array of movie and television sound studios. Construction is also underway at the Eagle Rock Distribution Center where the warehouse is being converted into large television sound stages.

The tourism industry in Gwinnett is also thriving, bringing new jobs and tax revenues to the area. In 2013, tourism reached more than $1 billion locally for the first time in Gwinnett's history. Hotels occupancy rates at the more than 100 hotels in the County are at an all-time high. Entertainment venues like the Gwinnett Center and Arena continue to attract tourists to the area, and the growing film industry is expected to draw more visitors to the area as more movies and television shows are produced in Gwinnett.

Declining unemployment rates and increasing per capita personal income are also signs of an improving local economy. Unemployment and personal income data for the last 10 years is presented on page 14 in the Statistical Section of this document.

Long-Term Financial Planning and Economic Development

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

> **Vision** – *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.*

This vision serves as the foundation for the County's formal Long-Term Financial Planning Policy (LTFP), which was adopted by the Board of Commissioners in 2012. The policy allows the County to ensure ongoing financial sustainability beyond a single fiscal year budget cycle. The LTFP process evaluates known internal and external issues impacting the County's financial condition. Such issues are identified, presented, and mitigated when and where possible. The process begins by identifying critical areas that have, or are expected to have, an impact on the financial condition of the County over the next five years. Once the issues are identified, specific goals and objectives are developed for each structural deficiency. The LTFP is a constantly changing and evolving document that is routinely updated and presented on an ongoing five-year rolling basis. The LTFP is incorporated into the County's Business Planning Process and presented to the Chairman, the Board of Commissioners, and staff throughout the formulation of the annual financial plan. The LTFP is intended to help the County achieve the following:

1. Ensure the County can maintain financial sustainability
2. Ensure the County has sufficient long-term information to guide financial decisions
3. Ensure the County has sufficient resources to provide programs and services for the stakeholders



4. Ensure potential risks to ongoing operations are identified in the long-term financial planning process and communicated on a regular basis
5. Establish mechanisms to identify early warning indicators
6. Identify changes in expenditure or revenue structures needed to deliver services or to meet the goals adopted by the Board of Commissioners

The LTFP forecasts revenues, expenditures, and financial position at least five years into the future or longer where specific issues call for a longer time horizon. County staff regularly looks for and implements opportunities to improve the quality of the forecasting, analysis, and strategy development that is part of the planning process. These improvements are primarily identified through the comparison of projected performance with actual results.

In addition to the LTFP, the County has developed other long-term planning tools to help map out its future such as the 2030 Unified Plan. The Board of Commissioners adopted the 2030 Unified Plan in February 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, the Comprehensive Transportation Plan, and the Water and Sewer Master Plan.

In 2013, the County initiated the first components of a limited update of the 2030 Unified Plan. The update does not involve rewriting the whole plan, but rather adjustments to some areas based on the new economic reality and input from the current commissioners. Recalibrating the plan to reflect current circumstances and the latest data will keep the 2030 Unified Plan fresh and useful.

The components of the plan update completed in 2013 include the 2009 – 2014 Short-Term Work Program Report of Accomplishments and a 2014 – 2019 Short-Term Work Program, which was submitted to and reviewed by the Atlanta Regional Commission in December 2013. Additionally, complex fiscal modeling using current economic data was completed in 2013. These modeling results will be the basis for the remainder of the plan update.

The current phase of the plan update, which began in mid-2014, relies heavily on stakeholder input to review community goals, needs, and opportunities to assist staff in identifying new policies and implementation steps to be incorporated into the 2030 Unified Plan, all of which will be organized around the same central themes from the original plan.

Tax Digest

After several years of declining tax revenue resulting from the recent economic recession, the tax digest is gradually recovering. From 2008 to 2013, County revenue dropped $245 million, and the County was challenged by the need to balance core services with declining tax revenue. County officials believe the 2013 tax digest represented the bottom of the drop in overall property tax values in Gwinnett. With property values stabilizing and construction activity increasing, the County experienced an 8.1 percent digest growth rate in 2014. This digest growth, combined with conservative budgeting practices and cost-savings initiatives such as the 90-day job vacancy savings policy, helped the County end the year on solid financial ground. The County anticipates steady recovery of the tax digest to continue in the coming years.

Rising Health Care Costs

Gwinnett County continues to place a strong emphasis on the wellbeing and health of its employees. As the cost of health care continues to rise, the County has shifted its focus to a more preventative approach to health care, encouraging employees to take an active role in their health through participation in wellness programs. With the addition of Asset Health as the County's wellness provider in 2014, educational programs, biometric screenings, health assessments, wellness coaches, and an onsite wellness advocate help employees understand their health risks and encourage healthy, balanced lifestyles.

Moving forward, Gwinnett County will continue to monitor the effectiveness of its health plans and funding structures. With more of the provisions of the *Affordable Care Act* being implemented, costs such as the Transitional Reinsurance Contributions have added to the cost of providing benefits to employees and retirees. To mitigate some of the costs, a new health plan strategy was proposed for 2015. Plan offerings will include High-Deductible Health Plans (HDHP) and Health Maintenance Organizations (HMO) at Gold and Silver Levels. This strategy will provide employees with choices and afford an opportunity to adjust coverage and costs. This strategy also provides the same level of support for each plan and tier and will make it easier to share increases in health insurance premiums between the employer and the employee. The addition of an employee wellness center, which is scheduled to open in the second quarter of 2015, is another step the County is taking to help control costs from both the self-insured and fully-insured plans.

Accrued Liabilities

A challenging area for the County, like other governments, has been funding its Defined Benefit (DB) Pension 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 liability over 20 years, the projected service time of remaining participants. With the County's commitment to reduce the unfunded pension and OPEB liabilities and increase the funded ratio of these plans, budget savings in recent years have been contributed to pay down accrued liabilities. Investment returns averaging more than 10 percent over the past five years have also helped improve the funded ratio.

In 2014, the County continued to make aggressive contributions to both plans totaling $58.7 million. The $58.7 million included not only the required annual contribution of $48.1 million, but also an extra contribution of nearly $10.6 million deposited into the DB plan.

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

Environmental Sustainability

Gwinnett County launched the Gwinnett Environmental Sustainability Program in 2009 to enhance efficiency in the use of valuable resources and reduce the impact of local government operations on the environment. This environmentally friendly initiative promotes protection and restoration of the community's natural resources through water and energy conservation and reduction in air pollution and waste. The Department of Planning and Development contributes to the Environmental Sustainability Program through the development and implementation of the following policies: Community Energy Code Enforcement Policy, Community Outdoor Lighting Efficiency Policy, Community Revitalization Policy, Community Shade Coverage Requirements Policy, and the Community Smart Growth Policy. For more information about these policies, see the Environmental Sustainability page on the County's website.

At an Atlanta Regional Commission (ARC) Board meeting in January 2015, Gwinnett County was recognized for leadership in implementing policies and practices that contribute to the efficient and sustainable use of resources in metro Atlanta. Gwinnett is the first county in the region to achieve certified Gold status. Some of the environmentally friendly actions Gwinnett took to achieve this distinction include:

- Installing bicycle parking at all 60 of its community facilities, allowing visitors another option for getting there
- Building Leadership in Energy and Environmental Design (LEED) certified facilities, including the Gwinnett Environmental and Heritage Center, 911 Center, the Police Training Facility, the Senior Services Center, the Hamilton Mill Library, and the Yellow River Water Reclamation Facility Operations Center





- Retrofitting all traffic signals with LED bulbs
- Adopting a lights out/power down policy that requires County employees to turn off lights and electronic equipment when not in use
- Conducting water audits on a total of 113 government buildings by the end of 2018. The initial portion of the audit and conversation efforts took place in 23 buildings in 2014. It is anticipated that the audit and conversation measures will save approximately 1.3 million gallons of water per year – enough to fill two Olympic-sized swimming pools.
- Pioneering Gwinnett County Senior Services' use of a cloud-based program that searches for the most efficient delivery routes for each Meals on Wheels driver. This has resulted in reducing fuel costs by 28 percent, increasing meals delivered by 8 percent, and reducing emissions by 1.75 tons in the first year of use.
- The Solid Waste Division completed two successful recycling events collecting 35,700 pounds in electronics (17.85 tons), 17.5 tons of tires, 3,800 gallons of paint, 678 pairs of sneakers, and 311 toner/ink cartridges.

Capital Improvement Program

Maintaining and expanding the County's infrastructure – including water, sewer, recreation, transportation, criminal justice, and public safety – remains a high priority. The Capital Improvement Program (CIP) captures and coordinates the needs and plans of all County departments. A CIP describes the capital projects and associated funding sources the County intends to undertake in the current year plus five additional future years, including the acquisition or construction of capital facilities and assets, and the maintenance thereof. In Gwinnett County, a capital project is defined as a project with a useful life of 10 years or more and a cost of at least $250,000 within six consecutive years or more than $100,000 in one year. Each year County staff develops a six-year, long-range CIP that describes and prioritizes the capital projects the County intends to undertake.

In November 2013, the residents of Gwinnett County approved a referendum authorizing the County to extend the one percent Special Purpose Local Option Sales Tax (SPLOST) for three years, beginning in April 2014. The 2014 SPLOST program is estimated to collect $453 million; the County receives 78.9 percent and the cities receive 21.1 percent of SPLOST collections. Approximately 70 percent of the County's portion of the 2014 SPLOST collections, including $25 million for joint city/county projects, is being used to fund transportation projects such as roads, bridges, intersections, and sidewalks. The remaining 30 percent is being used to fund public safety facilities and equipment, recreation, library relocations and renovation, parks, and senior services facilities.

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 GAAP. These controls provide reasonable, but not absolute, assurance of meeting the County's 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.

Gwinnett County has implemented additional internal controls through the development of formal financial policies. The County operates under the following financial policies:

- Long-Term Financial Planning Policy
- Operating and Capital Budget Policy



- Business Expenditure Policy
- Investment Policy
- Capital Asset Investment and Management Policy
- Debt Management Policy
- Reserve Policies for the General Fund, Special Revenue Funds, and Enterprise Funds

Of the financial policies listed above, the Business Expenditure Policy and the Debt Management Policy are the County's newest policies; these two policies were adopted by the Board of Commissioners on April 1, 2014. The County plans to continue developing additional financial policies in the future.

The Code of Ethics is also a critical part of the County's internal control efforts. The County adopted and distributed a new countywide Code of Ethics ordinance in late 2011. All employees and elected officials completed training on the new ordinance in 2012. The ordinance requires that every official and employee receive training within one year of their hire date, appointment, or swearing in, as well as every two years thereafter.

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 effective budget controls. State statutes require the County to operate under an annual balanced budget adopted by local resolution or ordinance. A budget ordinance or resolution is balanced when the sum of the estimated revenues and appropriated fund balances/net position is equal to appropriations. By law, expenditures may not exceed appropriations at the department level, within each fund. 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 (PAD). Internal Audit works directly with the County Administrator's office on a daily basis to build a "Committee of Sponsoring Organizations" (COSO)-based audit approach. 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.

Performance Management

The Balanced Scorecard (BSC) is a balanced approach to performance measurement that monitors the strategic success of an organization through the tracking of key performance indicators within the perspectives of organizational learning and growth, internal process efficiency and effectiveness, financial stewardship, and citizen/customer engagement. Score-cards are in place for all departments and agencies under the County Administrator's purview. These scorecards are used to align activities and resources with organizational goals and to improve internal communication and decision-making by providing performance feedback on critical priorities. PAD is responsible for the oversight of this program, and it is managed as a separate, independent function within the division.

Accomplishments

Gwinnett County was able to accomplish many objectives throughout 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 that align with the County's vision include:

"Enjoy essential economic opportunities"

During the past decade, Gwinnett County has been a top job creator in metro Atlanta and is home to many Fortune 500 and 1,000 companies. More than 60 international companies have chosen Gwinnett for their U.S. or global headquarter operations, including Mitsubishi Electric, US Cooling & Heating, Ricoh Electronics, Suniva, LifeArt Cabinetry, and WIKA Instrument Corporation.

The Gwinnett County Board of Commissioners maintains a strong commitment to the attraction of new capital investment and jobs for local residents. This culminated with the creation of Partnership Gwinnett, a public-private economic development initiative spearheaded by the Gwinnett Chamber, in 2006. The initiative was later established as a non-profit, Partnership Gwinnett PFE Inc. in September 2012 and has been a tremendous success, garnering regional and national attention. Since its inception, Partnership Gwinnett has assisted in more than 200 corporate relocations and expansions, which contributed to the creation of more than 13,750 jobs in the county.

In 2014, Gwinnett County's Department of Planning and Development coordinated 21 economic development projects with Partnership Gwinnett, exceeding its goal of 20. In addition to supporting the program financially, the County assists in fiscal analysis for consideration for any county-level incentives, serves as a conduit for permitting questions, and tracks results of projects coordinated with the Gwinnett Chamber. In 2014, some of Partnership Gwinnett's successes included: the expansion of Kraiburg TPE Corporation in Buford, the opening of Luckie & Company in Duluth, the opening of TravelSky's U.S. R&D center in Duluth, and United Arab Shipping Company's relocation of its North American headquarters to the city of Peachtree Corners. Additionally, Dasan Machineries Co., LTD relocated its U.S. headquarters and manufacturing facility to Duluth, and Millennium Mat Company expanded its headquarter and manufacturing operations in Suwanee. In February 2015, Comcast, one of Georgia's largest employers, announced the expansion and relocation of its regional headquarters to Peachtree Corners, which will create 150 new jobs in the county.

"Safe neighborhoods"

Gwinnett County is committed to providing quality public safety for residents and businesses. In 2014, the Police Department answered more than 470,000 E-911 calls. Thanks to their commitment, the county experienced a drop in the violent crime rate in 2014, and 94 percent of residents surveyed reported feeling safe in their neighborhoods.

The Gwinnett County Police Department implemented the Crime Free Multi-Housing Program (CFMH) in 2012 with a goal of reducing the number of violent crimes and police calls-for-service in apartment properties. The CFMH is a partnership among property owners/managers, residents, and law enforcement personnel in an effort to eliminate crime in multi-family properties. The Police Department expanded the CFMH in 2014. Corporal David Martinez was chosen to oversee the program in District One and thus far has recruited 16 apartment communities located in the Peachtree Corners and Norcross areas. Full certification amongst participating properties continues to grow as does the interest





from communities that have recently learned about the program. Through ideas and projects like in-service training, a more interactive CFMH webpage and program specific software, the CFMH coordinators aim to make the program more innovative, productive, and successful for both multi-family communities and road officers alike. In District 5 alone, this neighborhood safety initiative resulted in more than 552 arrests and 583 evictions executed by apartment managers during 2014. More than 1,260 residents participated in 24 programs instructed through the CFMH including community safety meetings and women's safety classes in 2014.

Gwinnett County Fire and Emergency Services responded to more than 70,000 fire and medical-related calls during 2014. Fire staff performed 14,004 fire and life-safety inspections and delivered 1,899 education programs reaching 72,299 residents, including life-saving CPR/AED training for more 1,800 residents. Additionally, through its award-winning home safety visits program, Fire and Emergency Services used FEMA grant funding to install 3,600 long-life battery smoke alarms for high-risk occupants.

"Plentiful greenspace and recreational facilities"

The Georgia Recreation and Parks Association (GRPA) recognized Gwinnett County Parks and Recreation as the number one park agency in the state serving populations of 150,001 during its annual conference in November 2014.

In 2014, Parks and Recreation Operations' Grounds Maintenance staff maintained 175 multi-purpose sports fields, 69 playgrounds, and 125 miles of trails on 9,413 acres of parkland. Parks and Recreation Operations hosted more than 9,543 rentals at their facilities, with more than 1,136,486 rental participants. 90,697 people participated in 7,030 classes, programs, camps and events they offered. Aquatics saw more than 400,000 in general admissions to aquatic centers and pools, and adult athletics had more than 17,502 participants. Skilled trades staff completed more than 3,500 work orders in plumbing, electrical, carpentry, and field support.

Gwinnett County maintains a strong commitment toward preserving greenspace and providing recreational opportunities for its residents. New parks under construction in 2015 include Level Creek Park and J.B. Williams Park. Additionally, Gwinnett County recently purchased new parkland using SPLOST funds. In February 2015, the County closed on the $14 million purchase of the Simpsonwood property from the North Georgia Conference of the United Methodist Church. The 223-acre property is located in Peachtree Corners. Gwinnett County's 2013 Parks and Recreation Capital Improvements Plan pointed out a need for a large open space park in western Gwinnett County. The Simpsonwood acquisition provides an opportunity to preserve green space and provide passive recreational opportunities for residents of Gwinnett.

In addition to acquiring new parkland, Gwinnett County continues to improve or renovate existing parks and recreational facilities. Some major parks and recreation projects under design for 2015 construction include: South Gwinnett Park (park renovation project), Rock Springs Park soccer complex (park improvement), George Pierce Park gymnasium (park improvement), Freeman's Mill Park (historic site improvement), Isaac Adair House (historic site improvement), McDaniel Farm Park (park improvement), Alexander Park (park improvement), and Ronald Reagan Park (park improvement).

"Making life better for our citizens"

Gwinnett County Department of Transportation offers a resource called GC Smart Commute that allows Gwinnett residents to view real-time traffic along major corridors to help them plan their routes before leaving home or work. In 2014, the department upgraded the GC Smart Commute website to include the addition of traffic cameras and a new look to the website. Residents now have the ability to select individual camera views from a map display and view up-to-date snapshots of current traffic conditions throughout different areas of the county.

Health and Human Services' Centerville Community Center introduced 54 new educational, enrichment, health, and exercise programs in 2014, including many for the senior population to complement the new satellite senior center housed there.

The Gwinnett County Cooperative Extension Service, an educational division of the Department of Community Services that operates as part of the University of Georgia's College of Agriculture and Environmental Sciences and College of Family and Consumer Sciences, provides opportunities for lifelong learning though research-based education programs in the areas of youth development, environment, and family and consumer sciences. In 2014, the Cooperative Extension Service developed and presented 1,331 educational programs for adult and youth groups in Gwinnett County.

"Partnering with Others in our Community"

Eastside Medical Center and Gwinnett County Parks and Recreation developed and launched Live Healthy Gwinnett in April 2014 with the goal of a community-wide wellness approach to address the preventable chronic illnesses that impact the county by encouraging and engaging those who live, work and play in the Gwinnett community to invest in personal wellness. Live Healthy Gwinnett collaborates year-round with community partners to offer programs and events that focus on the four areas of wellness: Be Active, Eat Healthy, Get Checked, and Be Positive. Live Healthy Gwinnett is continuously seeking partners to share in its mission and promote positive change in the Gwinnett community. As of March 2015, supporting partners include Strong4Life, Children's Healthcare of Atlanta, Gwinnett County Health Department, Start With The Inside, Good Measure Meals, Afterschool Alliance, and UGA Extension.

The Department of Community Services currently partners with 1,134 public/private organizations and businesses that allow divisions the opportunity to enhance or provide funding for certain programs/services.

Gwinnett County Parks and Recreation partners with 29 volunteer youth athletic associations to offer sports such as baseball/softball, basketball, cheerleading, football, soccer, roller hockey, and lacrosse.

The Cooperative Extension Service uses resources, materials, and staff of 139 other organizations through mutually-beneficial project collaborations in public education related to family, consumer sciences, and the environment for both youth and adults.



Awards and Acknowledgements

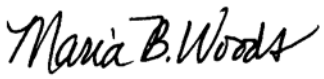
Gwinnett County is honored to be the recipient of the following awards in 2014:

- *Distinguished Budget Presentation Award* from the GFOA for the fiscal year beginning January 1, 2014
- *Outstanding Agency Accreditation Achievement Award* from the National Institute of Governmental Purchasing and *Achievement of Excellence in Procurement Award* from the National Purchasing Institute
- *Achievement Awards* from the National Association of Counties for Fire Career Awareness Program *(Best in Category)*, Trail Map Locators, Strong4Life Camp Ambassadors, Animal Shelter Turnaround, Crime Free Multi-Housing Program, Property Management with Volunteers, Solid Waste Interaction Center, Multicultural Outreach Recycling Initiative, and Planning and Development's One Stop Shop
- *Awards of Excellence* from the National Association of County Information Officers for Doors to Homes and Hope video and water conservation and firearms safety brochure
- Parks and Recreation finalist in *National Gold Medal Award for Excellence* from the National Recreation and Park Association
- *CREATE Community Technology Award* from the Atlanta Regional Commission for stormwater asset management plan
- *Governmental Programming Awards* honorable mention for the National Association of Telecommunications Officers and Advisors for water safety TV spots
- Residential F.A.C.T. Program named *Fire Safety Prevention Program of the Year* by Georgia Insurance and Safety Fire Commissioner's Office
- Firefighter/EMT awards from Lions Club, Masonic Lodge, Mundo Hispanico, Rotary, VFW, and others
- Fire and Police won a combined 13 *Public Safety Valor Awards*, including *Purple Heart*, from Gwinnett Chamber of Commerce
- Georgia Tactical Officers Association *Unit Citation, Medal of Valor,* and *Purple Heart* awards for SWAT hostage rescue
- MADD Agency *DUI Hero Award* and red, silver, and bronze pins for DUI arrests
- Two *Platinum Awards* (Crooked Creek and F. Wayne Hill plants) and one *Gold Peak Performance Award* (Yellow River plant) for water reclamation from the National Association of Clean Water Agencies plus *Excellence in Management* Silver award
- Georgia FOG Alliance *Large Program of the Year Award* for fats, oils, and grease program
- Georgia Association of Water Professionals Awards: Crooked Creek Water Reclamation Facility *(Platinum Award)*; water conservation material *(Public Education Award/Best Direct Media)*; Shoal Creek Filter Plant *(Plant of the Year)*; Shoal Creek and Lanier Filter Plants *(Gold Awards)*
- Human Resources received an award from the National Association of Governmental Defined Contribution Administrators

A complete list of awards received in 2014 is available at **www.gwinnettcounty.com.**

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 thank independent auditors Mauldin & Jenkins Certified Public Accountants, LLC, for their assistance. We also extend appreciation and thanks to Chairman Charlotte J. Nash, the District Commissioners, and County Administrator Glenn P. Stephens 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 2014 is a tribute to their dedication.

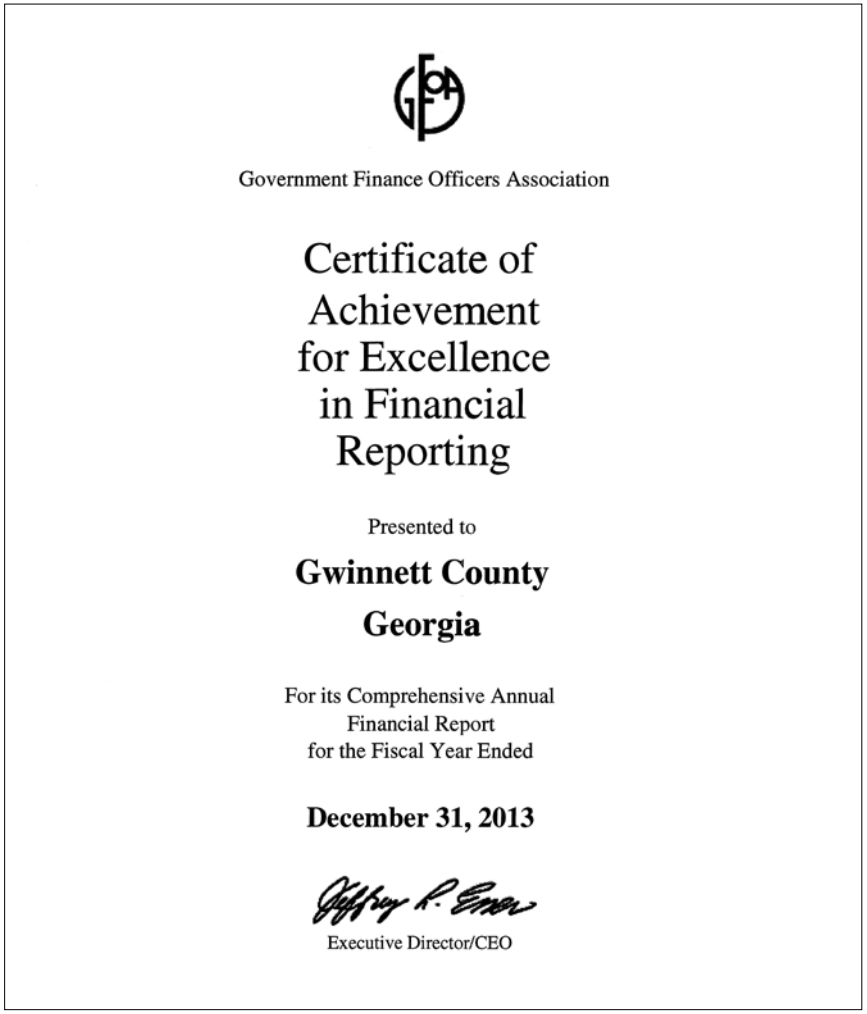
Respectfully submitted,



Maria B. Woods
CFO/Director of Financial Services

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Gwinnett County for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the 33rd consecutive year Gwinnett County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gwinnett County

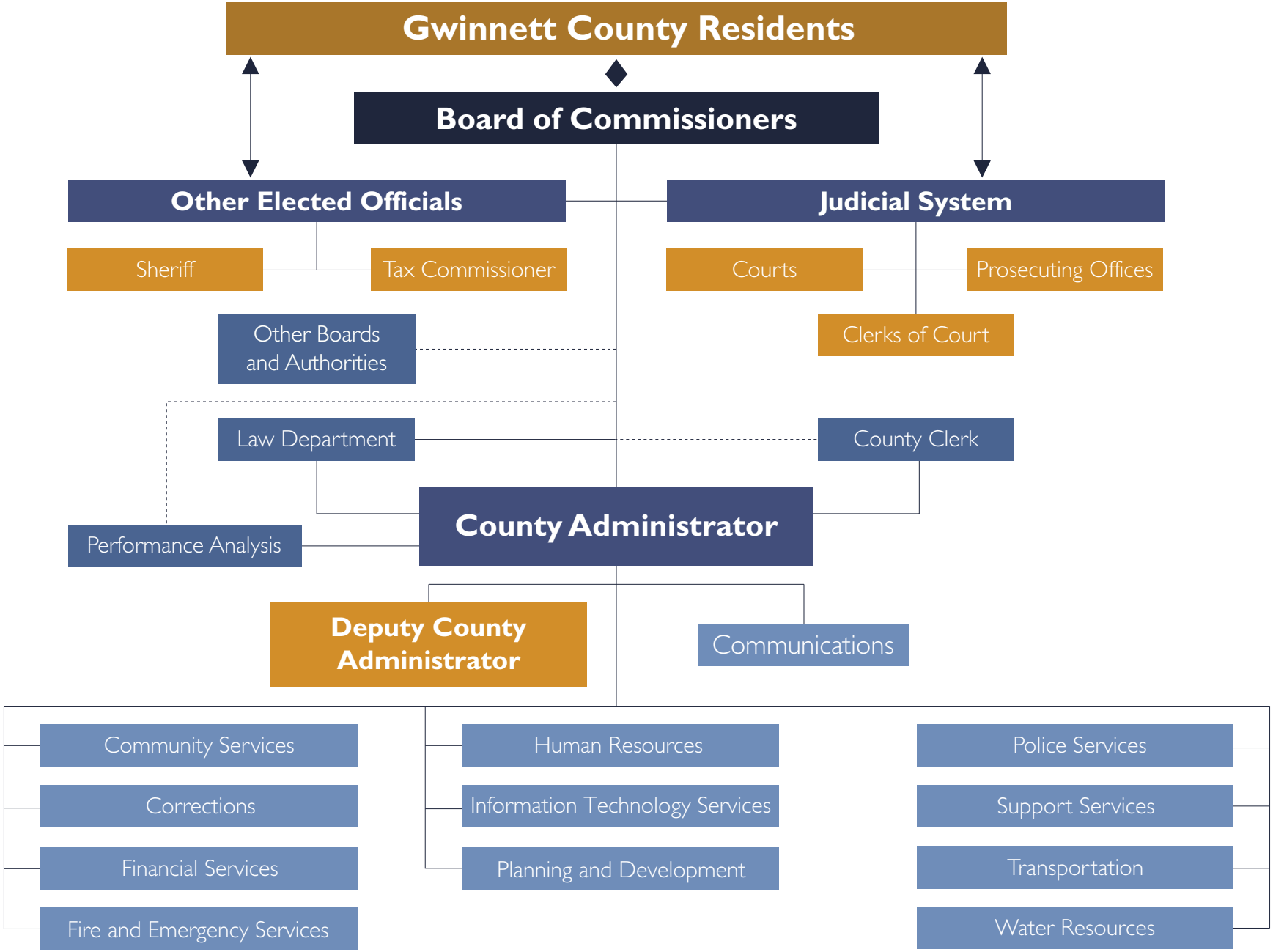
Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive financial annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


Gwinnett County Residents
Board of Commissioners
Other Elected Officials
Judicial System
Sheriff
Tax Commissioner
Courts
Prosecuting Offices
Other Boards and Authorities
Clerks of Court
Law Department
County Clerk
Performance Analysis
County Administrator
Deputy County Administrator
Communications
Community Services
Corrections
Financial Services
Fire and Emergency Services
Human Resources
Information Technology Services
Planning and Development
Police Services
Support Services
Transportation
Water Resources

County Administration & Department Directors

County Administrator
Glenn P. Stephens

Deputy County Administrator
Phil Hoskins

County Attorney
Bill Linkous

Community Services
Phil Hoskins, Director

Corrections
Darrell Johnson, Warden

Financial Services
Maria Woods, CFO/Director

Fire and Emergency Services
Chief Casey Snyder

Human Resources
Scott Fuller, Director

Information Technology Services
Abe Kani, Director/CIO

Planning and Development
Bryan Lackey, Director

Police Services
Chief Butch Ayers

Support Services
Angelia Parham, Director

Transportation
Alan Chapman, Acting Director

Water Resources
Ron Seibenhener, Director

Elected Officials

Clerk of Court
Richard T. Alexander Jr.

District Attorney
Daniel J. Porter

Chief Magistrate Court Judge
Kristina H. Blum

Probate Court Judge
Christopher A. Ballar

Sheriff
R.L. "Butch" Conway

Solicitor
Rosanna Szabo

Tax Commissioner
Richard Steele

State Court Judges
Pamela D. South, Chief Judge
Joseph C. Iannazzone
Carla E. Brown
John F. Doran Jr.
Emily J. Brantley
Shawn F. Bratton
Howard E. Cook, Senior Judge
Robert W. Mock Sr., Senior Judge

Superior Court Judges
Melodie Snell-Conner, Chief Judge
Debra K. Turner
R. Timothy Hamil
Ronnie K. Batchelor
Thomas N. Davis Jr.
Warren P. Davis
Karen E. Beyers
Kathryn M. Schrader
George F. Hutchinson III
Randolph G. Rich
K. Dawson Jackson, Senior Judge
Fred A. Bishop Jr., Senior Judge

Judicially Appointed Officials

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

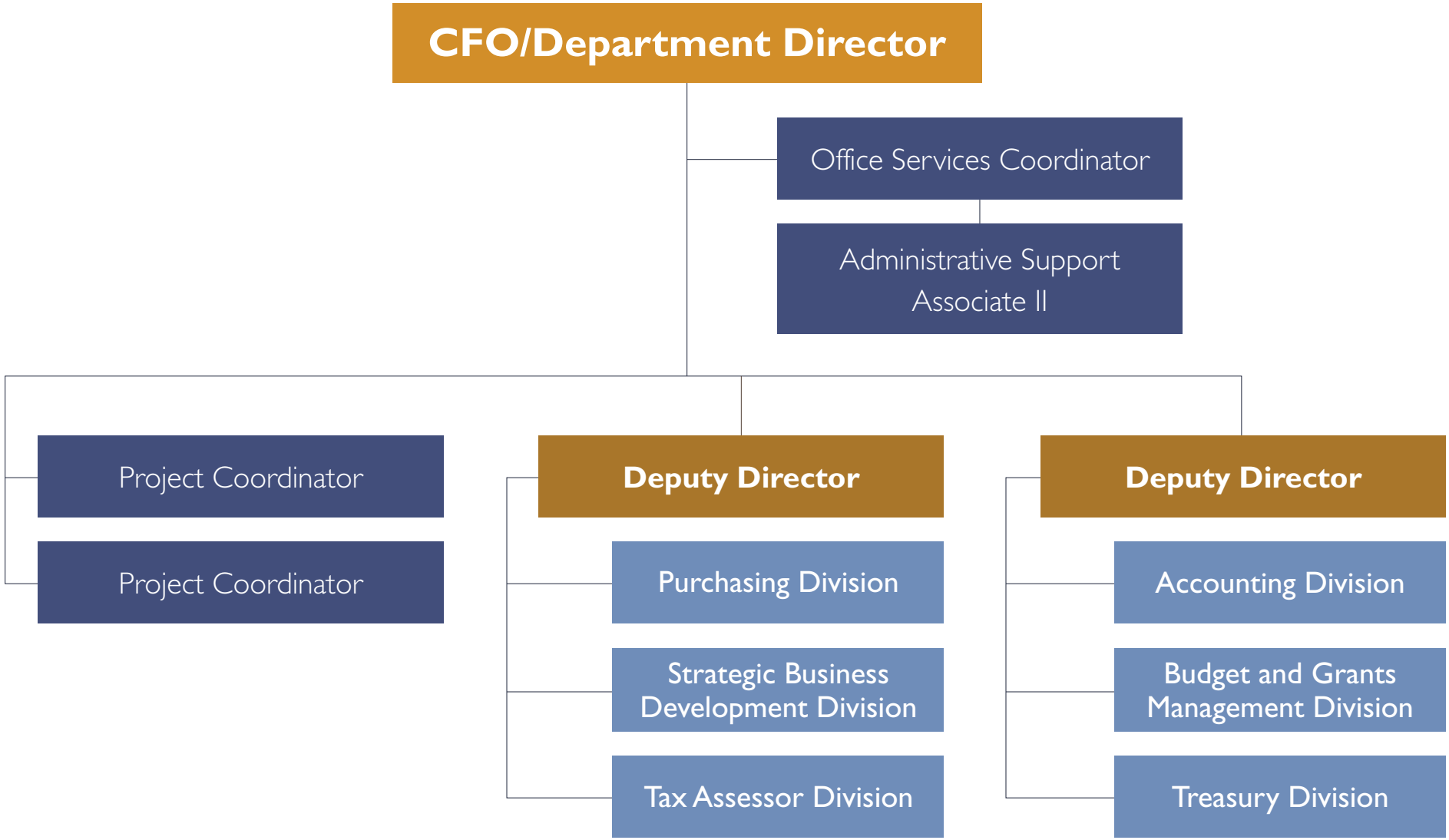
Recorder's Court Judges
Michael Greene, Chief Judge
Rodney S. Harris
Patricia Muise

Clerk of Recorder's Court
Jeff C. West

Court Administrator
Philip M. Boudewyns

gwinnettcounty

Department of **Financial Services**



Accounting Division

Peter **Frank**, Director
Laurie **Puckett**, CPA, Financial Reporting Manager
Natalie **Williams**, Accounting Manager

Dana **Brunson**, Financial Analyst
Alicia **Carmon**, Financial Analyst
Deirdre **Diggs**, Financial Analyst
Cindy **Knapp**, Financial Analyst
Suhelly **Lopez**, Financial Analyst
Anna **Payne**, Financial Analyst
Penny **Purchell**, CPA, Financial Analyst
Brian **Yen**, Financial Analyst

DID YOU KNOW...

Gwinnett County adopted the new **Unified Development Ordinance** in 2014 to modernize and streamline the plan review and permitting process and create new mixed-use zoning districts to **facilitate redevelopment**?

FINANCIAL SECTION

Independent Auditors' Report
Management's Discussion and Analysis



MAULDIN & JENKINS

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners of Gwinnett County
Lawrenceville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Gwinnett County, Georgia** (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gwinnett County Board of Health, which represents 10%, 79%, and 52%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gwinnett County Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com
Members of The American Institute of Certified Public Accountants • RSM International

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund, the Fire and EMS District Fund, and the Police Services District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress on pages 20 through 33 and pages 98 and 99, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and schedules; the Schedule of Expenditures of Federal, State, and Local Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the introductory, statistical, and disclosure sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules and the Schedule of Expenditures of Federal, State, and Local Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules and the Schedule of Expenditures of Federal, State, and Local Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical, and disclosure sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2015 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* in considering the County's internal control over financial reporting and compliance.



Atlanta, Georgia
May 7, 2015

Management's Discussion and Analysis

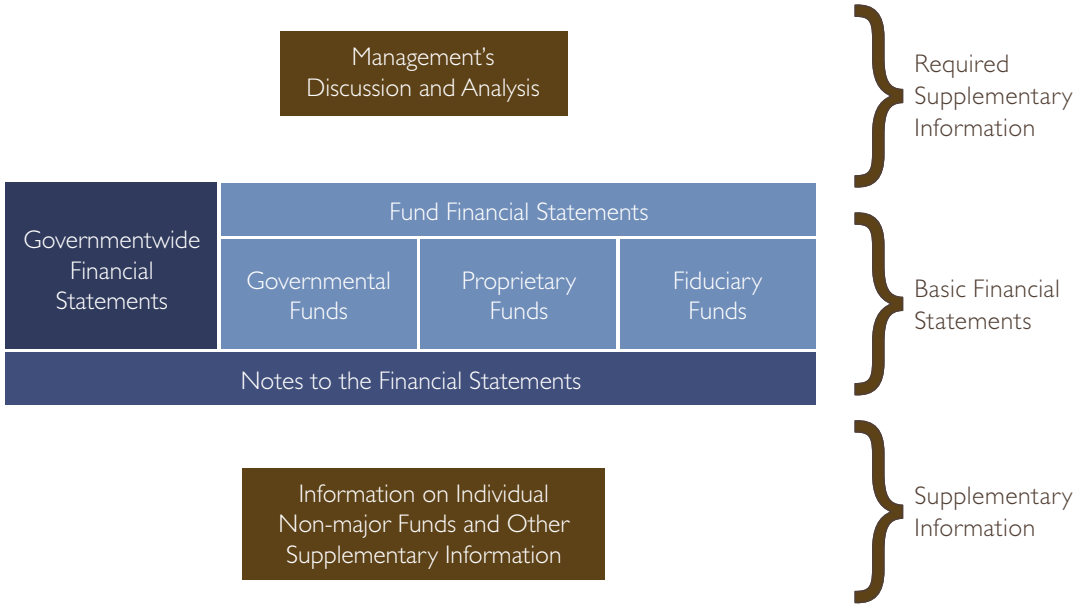




As management of Gwinnett County, Georgia, we offer readers of Gwinnett County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014. This discussion is intended to: 1) assist the reader in understanding significant 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 government-wide statements, the statement of net position and the statement of activities, which are produced using the accrual basis of accounting. Additional information on the accrual basis of accounting can be found in ***Note 1*** on page 51 of this report.

The statement of net position presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources (for all fund types except fiduciary), with the difference between these reported as net position. Increases or decreases in net position 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 position 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 position, 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 34 – 35 of this report. The component unit combining statements are presented on pages 48 – 49.

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 (Fire and Emergency Medical Services District, Police Services District, Street Lighting, Speed Hump, Authority Imaging, Juvenile Court Supervision, Tree Bank, Tourism, Stadium, Sheriff Special Justice, Sheriff Special Treasury, Sheriff Special State, Police Special Justice, Police Special State, Crime Victims Assistance, District Attorney Federal Asset Sharing, Corrections Inmate Welfare, Sheriff Inmate, E-911, Loganville Emergency Medical Services District, Development and Enforcement Services District, Recreation, Jimmy Carter Boulevard Tax Allocation District (TAD), Indian Trail TAD, and Grant); Capital Projects (2005 Sales Tax, 2009 Sales Tax, 2014 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, Fire and Emergency Medical Services District, Police Services District, Other Capital Projects, 2005 Sales Tax, 2009 Sales Tax, and 2014 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.



Governmental funds are reported on the modified accrual basis of accounting. Information on the modified accrual basis of accounting can be found in ***Note 1*** on page 51 of this report.

Gwinnett County adopts an annual appropriated budget for its general, special revenue, debt service, and capital projects funds. A budgetary comparison statement has been provided for the General Fund, Fire and EMS District Fund, and Police Services District Fund. These statements are found on pages 40 – 42. The basic governmental fund financial statements can be found on pages 36 – 39.

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 mechanism 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 administrative support, fleet, group self-insurance, risk management, and auto liability activities. 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 fund financial statements 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. Data from the other (non-major) enterprise funds are combined into a single, aggregated column. Internal services funds are also presented in a single column.

The basic proprietary fund financial statements, which are reported on the accrual basis of accounting, can be found on pages 43 – 45 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, and their financial statements are reported on the accrual basis of accounting as well. 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. The agency funds are presented in total, in one column in the Statement of Fiduciary Net Position on page 46. The County also maintains fiduciary funds for Pension and Other Post-Employment Benefits (OPEB) trust funds. These funds are aggregated and presented on pages 46 and 47.

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 51 – 97 of this report.

Financial Highlights

- Gwinnett County's assets and deferred outflows of resources exceeded liabilities at December 31, 2014 by $6,511,937,000 (net position). Of this amount, $797,708,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- As of December 31, 2014, the County's governmental funds reported combined ending fund balances of $866,395,000, an increase of $149,229,000 when compared to the prior year. This increase is largely attributable to delayed capital expenditures. Of the $866,395,000 total governmental fund balance, $138,877,000 remains in the General Fund as unassigned.
- At December 31, 2014, the County's General Fund reported a fund balance of $143,533,000, an increase of $7,604,000, or 5.6 percent, from last fiscal year.
- As of December 31, 2014, the County's enterprise funds reported a combined ending net position of $3,005,441,000, an increase of $96,919,000 when compared to the prior year. Of the $3,005,441,000 total enterprise fund balance, $261,713,000 remains in the funds as unrestricted. The largest enterprise fund is the Water and Sewerage Fund, which is discussed in more detail later in the business-type activities section.
- Gwinnett County has adopted five county-sponsored Tax Allocation Districts that are prime locations for redevelopment projects. To account for the tax increment revenues, five new tax allocation district funds have been created:
  - Jimmy Carter Boulevard TAD Fund
  - Indian Trail TAD Fund
  - Park Place TAD Fund*
  - Lake Lucerne TAD Fund*
  - Gwinnett Place TAD Fund*

  ** No activity in 2014*



Governmentwide Financial Analysis

As previously noted, over time net position serves as a useful indicator of a government's financial position. In the case of Gwinnett County, assets and deferred outflows of resources exceeded liabilities by $6,511,937,000 at the close of the most recent fiscal year. This represents an increase of $247,548,000, or 4.0 percent, from fiscal year 2013.

Gwinnett County's Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 1,218,146	$ 1,077,265	$ 372,881	$ 341,134	$ 1,591,027	$ 1,418,399
Capital assets	2,465,202	2,468,141	3,589,788	3,600,328	6,054,990	6,068,469
Total assets	3,683,348	3,545,406	3,962,669	3,941,462	7,646,017	7,486,868
Deferred outflows of resources	319	471	14,081	16,788	14,400	17,259
Long-term liabilities outstanding	134,030	141,531	885,985	951,796	1,020,015	1,093,327
Other liabilities	42,452	50,916	86,013	95,495	128,465	146,411
Total liabilities	176,482	192,447	971,998	1,047,291	1,148,480	1,239,738
Net position:						
Net investment in capital assets	2,353,452	2,348,661	2,718,527	2,664,664	5,071,979	5,013,325
Restricted	617,049	526,551	25,201	24,375	642,250	550,926
Unrestricted	536,684	478,218	261,024	221,920	797,708	700,138
Total net position	$ 3,507,185	$ 3,353,430	$ 3,004,752	$ 2,910,959	$ 6,511,937	$ 6,264,389

By far the largest portion of the County's net position (77.9 percent) at December 31, 2014, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the County's investment in 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 position (9.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($797,708,000) may be used to meet the government's ongoing obligations to residents and creditors.

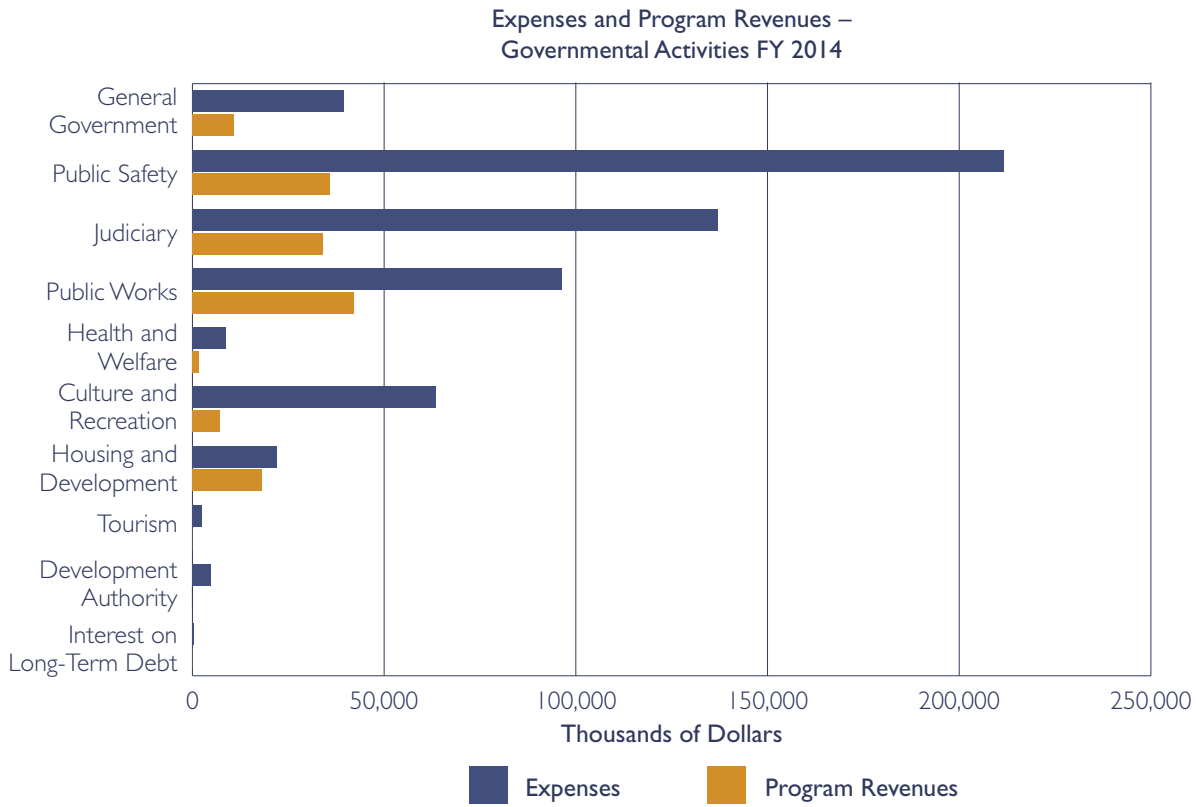
At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. Growth in net position is an indication that the County's financial position has improved over 2013.

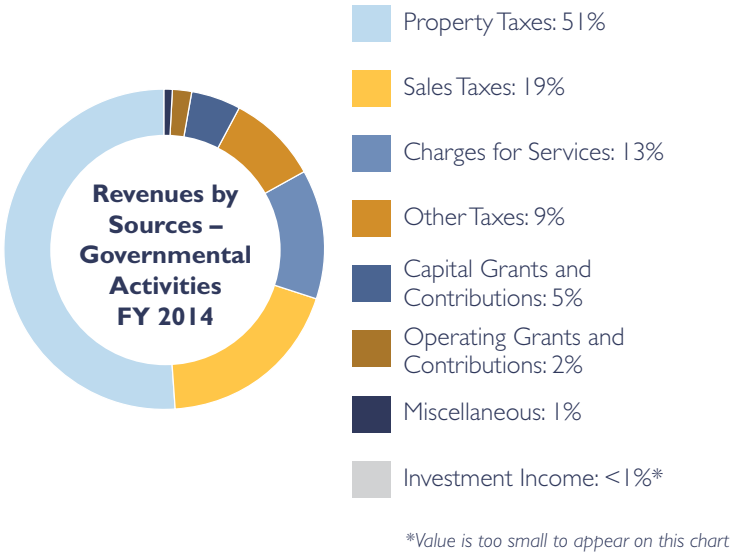
Gwinnett County's Changes In Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	$ 94,867	$ 92,236	$ 377,403	$ 356,269	$ 472,270	$ 448,505
Operating grants and contributions	16,645	18,050	6,391	6,504	23,036	24,554
Capital grants and contributions	38,529	13,716	29,948	22,389	68,477	36,105
General revenues:						
Property taxes	377,192	345,499	–	–	377,192	345,499
Sales taxes	142,480	138,351	–	–	142,480	138,351
Other taxes	64,636	62,822	–	–	64,636	62,822
Investment income	3,414	216	1,413	373	4,827	589
Other	9,192	10,536	–	–	9,192	10,536
Total revenues	746,955	681,426	415,155	385,535	1,162,110	1,066,961
Expenses						
General government	39,653	47,960	–	–	39,653	47,960
Public safety	212,405	199,549	–	–	212,405	199,549
Judiciary	137,599	124,612	–	–	137,599	124,612
Public works	96,491	77,837	–	–	96,491	77,837
Health and welfare	8,649	7,634	–	–	8,649	7,634
Culture and recreation	63,578	68,905	–	–	63,578	68,905
Housing and development	22,071	18,851	–	–	22,071	18,851
Tourism	2,534	2,358	–	–	2,534	2,358
Development authority	4,773	4,881	–	–	4,773	4,881
Interest on long-term debt	285	442	–	–	285	442
Water and sewer	–	–	229,176	261,693	229,176	261,693
Airport	–	–	1,382	2,106	1,382	2,106
Solid waste	–	–	40,051	41,847	40,051	41,847
Stormwater	–	–	38,324	30,375	38,324	30,375
Transit	–	–	17,591	17,912	17,591	17,912
Total expenses	588,038	553,029	326,524	353,933	914,562	906,962
Increase in net position before transfers	158,917	128,397	88,631	31,602	247,548	159,999
Transfers	(5,162)	(4,275)	5,162	4,275	–	–
Increase in net position after transfers	153,755	124,122	93,793	35,877	247,548	159,999
Net position – January 1	3,353,430	3,229,308	2,910,959	2,875,082	6,264,389	6,104,390
Net position – December 31	$ 3,507,185	$ 3,353,430	$ 3,004,752	$ 2,910,959	$ 6,511,937	$ 6,264,389

Governmental activities: Governmental activities increased the County's net position by $153,755,000, thereby accounting for 62.1 percent of the total growth in net position.

- Revenues increased by $65.5 million, primarily due to increases in capital grants and contributions ($24.8 million), property taxes ($31.7 million), sales tax revenue ($4.1 million), investment income ($3.2 million), charges for services ($2.6 million), and other taxes ($1.8 million). These increases were offset by decreases in operating grants and contributions ($1.4 million), and other revenues ($1.3 million). The increase in capital grants and contributions is primarily related to the State Route 20 road widening activity and an increase in State funding for road rehabilitation and resurfacing. The increase in property taxes is mainly attributed to an increase in property values.
- General government expenses decreased by $8.3 million, primarily due to a larger additional contribution to the Pension Fund in 2013.
- Public safety expenses increased by $12.9 million, of which approximately $5 million is attributable to increases in personal services due to reinstatement of pay increases in 2014, and increases in employee benefits expenses. Almost $8 million of the increase is due to the amount of internal service fund operating activity that was allocated to public safety in 2014 as compared to 2013.
- Judiciary expenses increased by nearly $13 million, of which approximately $4.5 million is attributable to increases in personal services due to reinstatement of pay increases in 2014, and increases in employee benefits expenses. Approximately $4.7 million of the increase is due to the amount of internal service fund operating activity that was allocated to judiciary in 2014 as compared to 2013, and approximately $3.3 million is due to the amount of net pension asset increase that was allocated to Judiciary in 2014 as compared to 2013.
- Public works expenses increased by almost $18.7 million, of which approximately $2.9 million is due to an increase in road rehabilitation and resurfacing activities, while $5.2 million is due to road assets transferred to the City of Peachtree Corners. Another $9.2 million represents an increase in public works-related payments to cities through the 2009 and 2014 SPLOST programs.



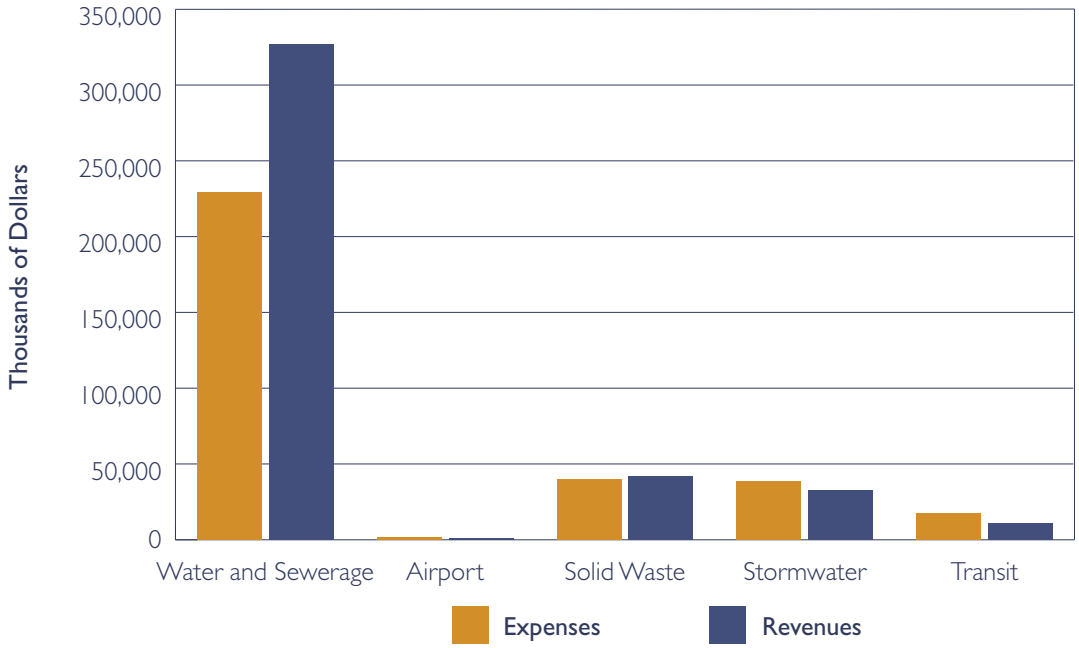


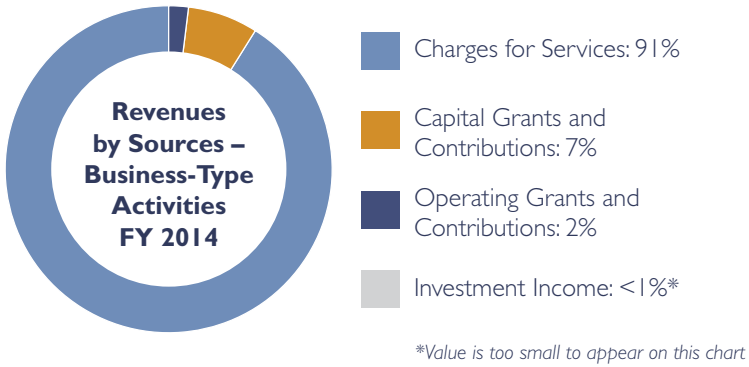
*Value is too small to appear on this chart

Business-type activities: Business-type activities increased the County's net position by $93,793,000, accounting for 37.9 percent of the total growth in the government's net position. Key elements of this increase were as follows:

- In 2014, Water and Sewerage Fund revenues were up approximately 8 percent, or $21.8 million, over the prior year, primarily due a 3.9% increase in water consumption and a rate increase that went into effect in 2014. Operating expenses decreased $6.8 million from 2013. The year-over-year decrease in expenses is mainly attributable to a decrease in depreciation due to large asset disposals in 2013, as well as a decrease in general and administrative expenses because of a reduction in the amount of indirect costs allocated to the Water and Sewer Fund and a reduction in the amount contributed to the DB Pension Fund.
- The Stormwater Fund reported operating income of $3.2 million, which is $0.8 million higher than 2013. However, the fund ended the year with a decrease in net position of $5,092,000, primarily as a result of transferring stormwater assets to the City of Peachtree Corners.
- The Transit Fund reported a decrease in net position of $2,565,000, which is approximately $0.4 million less than the 2013 decrease in net position. There was a decrease in transit riders of 127,442, or 6.9% in 2014.
- The Solid Waste Fund reported an increase in net position of $2,557,000, which is approximately $1.3 million more than the 2013 change in net position. There was a decrease in operating revenues of approximately $0.5 million, but it was offset by a decrease in operating expenses of $1.3 million and an increase in interest earnings of $0.4 million. Operating expenses decreased primarily due to a reduction of 9,650 service units within the City of Peachtree Corners at the end of 2013.

Expenses and Program Revenues – Business-Type Activities FY 2014





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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 fiscal year 2014, the County's governmental funds reported combined ending fund balances of $866,395,000, an increase of $149,229,000 in comparison with the prior year. This increase is approximately $82 million more than the 2013 increase in fund balances. Overall revenues were up $58 million, and expenditures were down $24 million.

Factors that contributed to the increase in governmental fund revenues included:

- An increase in property tax revenues of $27 million due to an increase in property values
- An increase in intergovernmental revenues of $13 million, primarily related to the State Road 20 road widening activity and an increase in state funding for road rehabilitation and resurfacing
- An increase in permits and licenses of $5 million as building activity increased
- An increase in investment income of $9 million as the County was able to increase the yield on its market portfolio
- An increase in sales tax revenues of $5 million

Factors that contributed to the overall decrease in governmental fund expenditures included:

- A decrease in capital spending of approximately $9 million
- A decrease in debt payments of $20 million due to a cash redemption in early 2013
- An increase in salaries and wages of almost $8 million with the reinstatement of pay increases in 2014
- A decrease in benefits of $12 million primarily because the General Fund did not make an additional contribution to the Pension Fund in 2014
- An increase in payments to cities from the sales tax program of $9 million

The following paragraphs discuss the individual major governmental funds.

The General Fund is the primary tax and operating fund for all County revenues and expenditures that are not restricted to, or accounted for, in other funds. At the end of the current fiscal year, unassigned fund balance of the General Fund was $138,877,000. 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 66 percent of General Fund expenditures. Total fund balance increased $7.6 million, as compared to a decrease of $38.4 million in 2013. This increase in operating results is attributed to:

- An increase in revenues of $5 million, primarily due to the increase in property tax revenues
- A decrease in expenditures of $7 million, primarily related to a decrease in additional contributions to the Pension Plan
- One-time transfers to the new Service District Funds of $57 million in 2013
- An increase in transfers to capital projects of $23 million in 2014

The Fire and Emergency Medical Services (EMS) District Fund accounts for the revenues and expenditures attributable to the Fire and EMS District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. At the end of fiscal year 2014, restricted fund balance was $44,239,000, which is well above the required fund balance reserve of three months of normal operating expenditures and represents an increase of $13.8 million from the fiscal year 2013 fund balance. Revenues increased $13.4 million primarily due to the increase in property tax revenues. Expenditures increased $2.3 million primarily due to salary increases, and net transfers decreased by $27.6 million primarily due to the one-time transfers from the General Fund in 2013 mentioned above.

The Police Services District Fund accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments (Berkeley Lake, Buford, Grayson, Dacula, Peachtree Corners, Rest Haven, and Sugar Hill). At the end of fiscal year 2014, restricted fund balance was $43,019,000, which is well above the required fund balance reserve of three months operating expenditures and represents an increase of $5.2 million from the fiscal year 2013 fund balance. Revenues increased $7.0 million primarily due to the increase in property tax revenues. Expenditures decreased $1.7 million despite salary increases, and net transfers decreased by $40.6 million primarily due to the one-time transfers from the General Fund in 2013 mentioned above and an increase in transfers to capital projects.

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 fiscal year 2014, the fund balance of the Other Capital Projects Fund was $138,981,000, representing an increase of $51,466,000 from 2013. Expenditures exceeded revenues by $13.8 million, which was offset by transfers in of $65.3 million.

The 2005 Sales Tax Fund accounts for the financial resources provided from the 2005 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of fiscal year 2014, the 2005 Sales Tax Fund reported a fund balance of $12,893,000. Fund expenditures exceeded revenues by $9.6 million. This is expected as sales tax revenues are no longer being collected under the 2005 program.

The 2009 Sales Tax Fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of fiscal year 2014, the 2009 Sales Tax Fund reported a fund balance of $303,446,000. Expenditures exceeded revenues by $11.7 million. Sales tax revenues were collected under the 2009 program until April 2014.

The 2014 Sales Tax Fund accounts for the financial resources provided from the 2014 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, senior service facilities, and transportation projects. At the end of fiscal year 2014, the 2014 Sales Tax Fund reported a fund balance of $86,166,000. The County began receiving sales tax revenues under the 2014 program in May 2014.

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 position of the Water and Sewerage Fund at the end of fiscal year 2014 amounted to $208,317,000. This represents an increase of $36,699,000 in unrestricted net position from the end of the previous year. The total increase in net position was $102,188,000. 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 2014 budget was adopted with a $0.7 million use of fund balance. As of December 31, 2014, there was a $7.3 million contribution to fund balance.

Differences between the original budget and the final amended budget, amount to a net increase in budgeted expenditures and transfers out of $29,758,430. This increase is primarily attributed to an increase in contributions to capital projects funds of $30 million. The remaining changes to the operating budget amount to a decrease of less than $0.5 million.

General Fund Actual Expenditures versus Budget Highlights

Actual revenues were $10,557,000 above budget at the end of fiscal year 2014, which was primarily attributable to taxes exceeding budget by $10,927,000 as property values are increasing.

Actual expenditures were $15,227,000 below budget at the end of fiscal year 2014. The main contributing factors were as follows:

- Personal services expenditures were $4.2 million under budget, primarily due to vacancies.
- General operating expenditures were $5.6 million under budget with the largest single line item being professional services, which was $2.6 million under budget. Other line items that were significantly under budget include road services, industrial supplies, utilities, and fuel.
- Expenditures for court reporters, court interpreters, and indigent defense were under budget by approximately $2.3 million.
- Indirect cost charges were under budget by $0.7 million due to the 2013 indirect cost true-up.
- Reserves and contingencies were $2.4 million under budget.



Capital Assets

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounted to $6,054,990,000 (net of accumulated depreciation). Investments in capital assets included land, improvements, buildings, equipment, vehicles, infrastructure and construction in progress.

Gwinnett County's Net Capital Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	$ 703,790	$ 656,328	$ 70,860	$ 70,601	$ 774,650	$ 726,929
Improvements	325,126	324,726	2,478,780	2,454,644	2,803,906	2,779,370
Buildings	524,909	537,773	674,771	686,161	1,199,680	1,223,934
Equipment	52,095	55,450	238,875	246,715	290,970	302,165
Vehicles	34,923	33,034	13,591	16,424	48,514	49,458
Infrastructure (roads, bridges and sidewalks)	760,626	765,605	5,145	5,357	765,771	770,962
Construction in progress	63,733	95,225	107,766	120,426	171,499	215,651
Total	$ 2,465,202	$ 2,468,141	$ 3,589,788	$ 3,600,328	$ 6,054,990	$ 6,068,469

Total capital assets for governmental activities for 2014 totaled $2,465,202,000, which is a decrease of $2.9 million or 0.1 percent over 2013. The total of governmental assets transferred from construction in progress to the asset records during the year totaled approximately $92 million. Major projects consisted of the following:

- State Road 20 (PIB – Burnette Trail): $36,601,137
- Pleasant Hill Rd (Buford Highway-Howell Ferry): $8,226,112
- Ivy Creek Greenway: $4,995,039
- CAD-AVL Mobile Security System: $3,300,000
- Cruse Road (Sweetwater Creek): $2,511,920

Total capital assets for business-type activities for 2014 totaled $3,589,788,000 which is a decrease of $10.5 million or less than 1.0 percent from 2013. The total of business-type assets that were transferred from construction in progress to the asset records during the year totaled approximately $98 million. Major projects consisted of the following:

- Water Production Emergency Generator: $17,889,453
- South Gwinnett Pump Station and Force Main Phase II: $8,000,553
- Water Meter New Installations: $10,234,471
- Water Meter Replacements: $7,666,866
- 2014 Drainage Improvements: $9,586,219

Additional information on the County's capital assets can be found in ***Note 7*** on pages 75 – 77 of this report.

Debt Administration

Long-Term Debt: At the end of the current fiscal year, the County had total bonded debt outstanding of $19,145,000 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 $806,275,000 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 Sewerage 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.

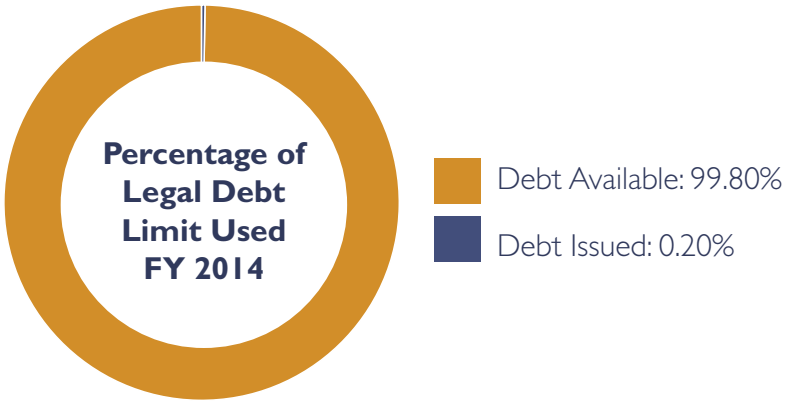
Gwinnett County's Outstanding Debt
General Obligation and Revenue Bonds
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 19,145	$ 22,555	$ –	$ –	$ 19,145	$ 22,555
Revenue bonds	–	–	806,275	865,230	806,275	865,230
Total	$ 19,145	$ 22,555	$ 806,275	$ 865,230	$ 825,420	$ 887,785

The County's total long-term bonds decreased by $62,365,000 during the current fiscal year due primarily to principal payments. No new bonds were issued in 2014.

The County maintains a triple-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 78 – 84 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed taxable property valuation. The County's net outstanding general obligation debt is $6,193,000, which is significantly below the current debt limitation of $2,554,156,000.



Economic Factors and Next Year's Budgets and Rates

The improving housing market, stock market upswings, and labor market improvements continue to indicate economic progress. As previously discussed in the Introduction section of this document, job creating initiatives like Partnership Gwinnett PFE Inc. have helped lay the foundation for the County's increasing economic vitality.

In addition to the County's recent job growth, Gwinnett's housing market has also seen marked improvements. The County's housing market experienced a significant amount of distress during the economic recession – foreclosures rose dramatically while property values declined. As the economy began to recover, the number of foreclosures dropped drastically, construction of new homes has returned, and the majority of Gwinnett County homeowners saw their property values improve. The average home value in Gwinnett County rose approximately 15 percent from 2013 to 2014, increasing from $150,000 in 2013 to $173,000 in 2014. The number of single-family permits reached 2,336 in 2013, up more than four times the 446 single-family permits issued in 2009.

County officials believe the 2013 tax digest represented the bottom of the overall drop in property tax values in Gwinnett. As property values stabilized and new construction was added, the countywide tax digest grew approximately 8.1 percent in 2014. The County expects a small increase in the total property tax digest in 2015.

Gwinnett County took these economic factors into consideration when preparing the fiscal year 2015 budget. Developed within the framework of the County's five-year financial plan, the total budget, including capital, is $1,423,711,647. The operating budget is $1,052,671,304, and the capital budget is $371,040,343. The 2016 – 2020 Capital Plan budget is $1,166,325,877.

The Chairman's Budget Review Team, made up of four county residents as well as participating departmental and agency representatives, made recommendations for the fiscal year 2015 budget focusing on priorities set by Commissioners during a strategic planning session held in May 2014. The resident members of the review team are Mark Brock, Burt Manning, Roger Willis, and Latabia Woodward. Mr. Brock, a returning review team veteran, is building maintenance director for Gwinnett County Public Schools. Mr. Manning is a retired real estate appraiser and assessment administrator who has worked in six Georgia counties, Mr. Willis is a retired district manager from Jackson EMC, and Ms. Woodward works as a strategic planning principal for Georgia Power and serves as president of the Gwinnett County Alumnae Chapter of Delta Sigma Theta Sorority Inc.

When making recommendations for the fiscal year 2015 budget, the Budget Review Team took into consideration several common concerns identified in presentations given by department directors and elected officials, including concerns about workforce retention and recruitment and the need to partially restore certain services that were cut in previous budget years. After hearing their presentations, the Chairman's Budget Review Team studied departmental budget plans, budget needs, and revenue projections. As a result of the review team's deliberations, the budget funds critical expansion of fire and emergency medical services, adjusts employee compensation, and partially restores funding for some services, while keeping property tax rates the same as 2014. Cost-saving measures such as continuing the 90-day job vacancy policy and requiring justification for specific commitment items remain in effect for 2015.



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 Position





December 31, 2014
(in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business–type Activities	Total	
ASSETS:				
Cash and cash equivalents	$ 416,996	160,142	577,138	20,853
Investments	481,033	5,857	486,890	–
Receivables, net of allowance	28,799	34,978	63,777	330
Internal balances	689	(689)	–	–
Due from other governments	48,719	132	48,851	1,378
Due from primary government	–	–	–	1,891
Inventories	1,937	2,961	4,898	–
Prepaid items	7,878	610	8,488	–
Net pension asset	153,119	–	153,119	–
Net OPEB asset	31,456	–	31,456	–
Lease receivable	392	–	392	–
Lease receivable from primary government	–	–	–	87,520
Noncurrent investments	47,128	128,199	175,327	–
Restricted assets:				
Cash and cash equivalents	–	40,054	40,054	–
Other assets	–	637	637	–
Capital assets:				
Land and construction in progress	767,523	178,626	946,149	–
Other capital assets, net of depreciation	1,697,679	3,411,162	5,108,841	2,445
Total assets	3,683,348	3,962,669	7,646,017	114,417
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding of bonds	319	14,081	14,400	268
Total deferred outflows of resources	319	14,081	14,400	268
LIABILITIES:				
Current liabilities:				
Accounts payable	26,267	22,410	48,677	2,842
Retainage payable	4,179	1,693	5,872	–
Other accrued payables	9,623	1,358	10,981	387
Customer deposits	–	3,886	3,886	–
Accrued interest payable	1,891	14,853	16,744	–
Due to others	482	153	635	–
Unearned revenue	10	41,660	41,670	68
Noncurrent liabilities:				
Due within one year	20,649	65,011	85,660	3,830
Due in more than one year	113,381	820,974	934,355	90,622
Total liabilities	176,482	971,998	1,148,480	97,749
DEFERRED INFLOWS OF RESOURCES:				
Unearned revenue	–	–	–	3,822
Total deferred inflows of resources	–	–	–	3,822
NET POSITION:				
Net investment in capital assets	2,353,452	2,718,527	5,071,979	1,663
Restricted for:				
Capital projects	402,505	–	402,505	–
Debt service	13,097	25,201	38,298	–
Special programs	201,447	–	201,447	–
Health programs	–	–	–	6,560
Unrestricted	536,684	261,024	797,708	4,891
Total net position	$ 3,507,185	3,004,752	6,511,937	13,114

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

Statement of Activities

Year Ended December 31, 2014

(in thousands of dollars)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 39,653	9,747	528	507	(28,871)	–	(28,871)	–
Public safety	212,405	33,909	1,377	673	(176,446)	–	(176,446)	–
Judiciary	137,599	30,489	3,647	–	(103,463)	–	(103,463)	–
Public works	96,491	6,882	992	34,225	(54,392)	–	(54,392)	–
Health and welfare	8,649	406	1,301	74	(6,868)	–	(6,868)	–
Culture and recreation	63,578	4,752	143	2,332	(56,351)	–	(56,351)	–
Housing and development	22,071	8,682	8,657	718	(4,014)	–	(4,014)	–
Tourism	2,534	–	–	–	(2,534)	–	(2,534)	–
Development authority	4,773	–	–	–	(4,773)	–	(4,773)	–
Interest on long-term debt	285	–	–	–	(285)	–	(285)	–
Total governmental activities	588,038	94,867	16,645	38,529	(437,997)	–	(437,997)	–
Business-type activities:								
Water and sewer	229,176	299,007	–	27,718	–	97,549	97,549	–
Airport	1,382	941	–	230	–	(211)	(211)	–
Solid waste	40,051	42,061	–	–	–	2,010	2,010	–
Stormwater	38,324	31,182	–	1,638	–	(5,504)	(5,504)	–
Transit	17,591	4,212	6,391	362	–	(6,626)	(6,626)	–
Total business-type activities	326,524	377,403	6,391	29,948	–	87,218	87,218	–
Total primary government	$ 914,562	472,270	23,036	68,477	(437,997)	87,218	(350,779)	–
Component units	$ 45,750	7,496	18,518	–	–	–	–	(19,736)
General revenues:								
Property taxes					377,192	–	377,192	–
Sales taxes					142,480	–	142,480	–
Hotel motel taxes					8,336	–	8,336	–
Insurance premium tax					29,777	–	29,777	–
Business taxes					18,746	–	18,746	–
Other taxes					7,777	–	7,777	–
Lease interest income – development authority					–	–	–	4,697
Intergovernmental revenue from primary government, not restricted for specific programs					–	–	–	15,244
Intergovernmental revenue from State of Georgia not restricted for specific programs					–	–	–	709
Investment income					3,414	1,413	4,827	9
Miscellaneous					9,192	–	9,192	248
Total general revenues					596,914	1,413	598,327	20,907
Transfers					(5,162)	5,162	–	–
Total general revenues and transfers					591,752	6,575	598,327	20,907
Change in net position					153,755	93,793	247,548	1,171
Net position – beginning					3,353,430	2,910,959	6,264,389	11,943
Net position – ending				$	3,507,185	3,004,752	6,511,937	13,114

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

Governmental Funds Balance Sheet

December 31, 2014
(in thousands of dollars)

	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	2014 Sales Tax	Other Governmental Funds	Total
ASSETS:									
Cash and cash equivalents	$ 39,709	35,870	29,612	97,053	14,176	55,628	49,526	59,400	380,974
Investments	104,983	9,011	15,023	44,098	80	246,372	25,740	32,388	477,695
Receivables, net of allowance:									
Taxes	6,238	1,776	668	–	–	–	–	1,200	9,882
Accounts	607	5,268	632	179	366	9,406	99	987	17,544
Due from other funds	2,387	–	–	–	–	–	–	–	2,387
Due from other governments	–	–	27,144	–	6	6	15,277	6,286	48,719
Inventories	1,238	–	–	–	–	–	–	239	1,477
Prepaid items	3,418	125	388	3	–	343	–	16	4,293
Total assets	$ 158,580	52,050	73,467	141,333	14,628	311,755	90,642	100,516	942,971
LIABILITIES:									
Accounts payable	$ 6,243	502	326	2,131	1,215	4,966	4,404	3,167	22,954
Payroll payable	4,059	2,346	2,016	–	–	–	–	236	8,657
Retainage payable	–	–	–	133	510	3,320	72	144	4,179
Other accrued	–	–	–	–	10	23	–	–	33
Due to other funds	–	–	–	–	–	–	–	2,387	2,387
Due to others	198	–	118	88	–	–	–	65	469
Total liabilities	10,500	2,848	2,460	2,352	1,735	8,309	4,476	5,999	38,679
DEFERRED INFLOWS OF RESOURCES:									
Unavailable revenue	4,547	4,838	27,600	–	–	–	–	912	37,897
Total deferred inflows of resources	4,547	4,838	27,600	–	–	–	–	912	37,897
FUND BALANCES:									
Nonspendable	4,656	125	388	3	–	343	–	255	5,770
Restricted	–	44,239	43,019	–	12,893	303,103	86,166	93,168	582,588
Committed	–	–	–	–	–	–	–	182	182
Assigned	–	–	–	138,978	–	–	–	–	138,978
Unassigned	138,877	–	–	–	–	–	–	–	138,877
Total fund balance	143,533	44,364	43,407	138,981	12,893	303,446	86,166	93,605	866,395
Total liabilities, deferred inflows of resources and fund balances	$ 158,580	52,050	73,467	141,333	14,628	311,755	90,642	100,516	942,971

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

December 31, 2014
(in thousands of dollars)

Fund balances – total governmental funds		$ 866,395
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset is not recorded on the fund financial statements.		153,119
Net OPEB asset is not recorded on the fund financial statements.		31,456
Lease receivable is not recorded on the fund financial statements.		392
Capital assets are not reported in fund statements:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the government funds.	$ 2,464,634	
Capital assets used in internal service funds are reported in the governmental activities column of the governmentwide statement of net position.	568	
		2,465,202
Deferred outflow – deferred loss on bond refunding is not a financial resource and therefore is not reported in the governmental funds.		319
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	(19,145)	
Premiums	(1,225)	
Lease payable to component unit	(87,520)	
Accrued leave	(18,277)	
Estimated claims payable	(7,863)	
		(134,030)
Revenue deferred in the governmental funds due to availability criteria is susceptible to full accrual on the governmentwide statements.		
Property tax	6,985	
Special assessments	176	
Insurance premium tax	27,144	
Public safety – EMS	3,592	
		37,897
Interest payable on capital lease to component unit is not accrued in the fund statements.		(1,891)
Internal service funds are used to charge the cost of group insurance, risk management, fleet management, and administrative support services to individual funds. Assets and liabilities of these funds are included in governmental activities in the statement of net position.		
Internal service funds net position	78,018	
Less capital assets already accounted for above	(568)	
Plus accrued leave already accounted for above	2,324	
Plus claims payable already accounted for above	7,863	
Less amount due to enterprise funds	689	
		88,326
Net position of governmental activities		$ 3,507,185

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, 2014

(in thousands of dollars)

	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	2014 Sales Tax	Other Governmental Funds	Total
REVENUES:									
Taxes	$ 225,825	80,387	86,667	–	–	32,748	109,732	48,272	583,631
Permits and licenses	–	761	3,898	–	–	–	–	3,368	8,027
Intergovernmental	3,969	479	196	556	3,120	23,704	4,477	14,091	50,592
Charges for services	23,586	14,888	1,304	–	–	–	–	28,038	67,816
Fines and forfeitures	5,067	–	10,894	184	–	–	–	1,911	18,056
Investment income	1,633	44	128	496	25	4,696	120	461	7,603
Miscellaneous	3,191	158	504	1,267	–	58	14	4,012	9,204
Total revenues	263,271	96,717	103,591	2,503	3,145	61,206	114,343	100,153	744,929
EXPENDITURES:									
Current operating:									
General government	27,012	–	121	–	–	–	–	–	27,133
Public safety	18,396	81,283	74,475	–	–	–	–	15,762	189,916
Judiciary	126,208	–	3,496	–	–	–	–	1,720	131,424
Public works	13,505	–	–	–	–	–	–	7,258	20,763
Health and welfare	6,854	–	–	–	–	–	–	–	6,854
Culture and recreation	15,937	–	–	–	–	–	–	27,301	43,238
Housing and development	2,366	609	563	–	–	–	–	5,276	8,814
Tourism	–	–	–	–	–	–	–	2,534	2,534
Development authority	–	–	–	–	–	–	–	7,618	7,618
Grant programs	–	–	–	–	–	–	–	15,977	15,977
Capital outlay	259	40	23	16,310	12,760	67,840	5,024	1,020	103,276
Debt service	–	–	–	–	–	–	–	4,175	4,175
Intergovermental	–	–	–	–	–	5,114	23,153	3,043	31,310
Total expenditures	210,537	81,932	78,678	16,310	12,760	72,954	28,177	91,684	593,032
Revenues in excess of (less than) expenditures	52,734	14,785	24,913	(13,807)	(9,615)	(11,748)	86,166	8,469	151,897
OTHER FINANCING SOURCES (USES):									
Transfers in	165	4,185	2,092	65,273	–	–	–	649	72,364
Transfers out	(45,295)	(5,027)	(21,460)	–	–	–	–	(3,250)	(75,032)
Other financing sources (uses), net	(45,130)	(842)	(19,368)	65,273	–	–	–	(2,601)	(2,668)
Net change in fund balances	7,604	13,943	5,545	51,466	(9,615)	(11,748)	86,166	5,868	149,229
Fund balances – January 1	135,929	30,421	37,862	87,515	22,508	315,194	–	87,737	717,166
Fund balances – December 31	$ 143,533	44,364	43,407	138,981	12,893	303,446	86,166	93,605	866,395

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 the Statement of Activities

Year Ended December 31, 2014
(in thousands of dollars)

Net change in fund balances – total governmental funds		$ 149,229
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	$ 103,276	
Capital expenditures reclassed as expense	(24,931)	
Depreciation expense – general capital assets	(86,174)	
		(7,829)
Contributions of capital assets are not recorded in governmental funds.		10,736
The loss on disposition of capital assets is not reported in the fund statements.		(5,447)
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 position.		3,410
The current year's increase to the net pension asset decreases net expenses of pensionable functions on the governmentwide statements.		425
The current year's increase in the net OPEB asset decreases net expenses of the functions on the governmentwide statements.		1,047
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 loss of bond refunding		(152)
Amortization of deferred premium on bonds		582
Accrued interest payable is not included on the fund financial statements.		50
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.		2,845
Internal service funds are used to charge the cost of insurance, fleet, and administrative services activities to individual funds. A part of the net revenue (expense) of the internal service funds is reported with governmental activities.		(1,491)
Accrued expenses related to compensated absences are not reported in the fund statements.		(620)
Capital lease revenue from View Point Health is reported as revenue for governmental activities and as a reduction of capital lease receivable in the governmentwide statements.		(12)
Some revenue earned is deferred in the governmental funds due to availability criteria.		982
Change in net position of governmental activities		$ 153,755

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, 2014

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non–GAAP budget basis)	Variance–positive (negative)
REVENUES:				
Taxes	$ 204,078	214,898	225,825	10,927
Intergovernmental	3,482	4,036	3,969	(67)
Charges for services	25,435	24,185	23,586	(599)
Fines and forfeitures	4,659	5,192	5,067	(125)
Investment income	1,223	1,223	1,328	105
Miscellaneous	1,492	2,875	3,191	316
Total revenues	240,369	252,409	262,966	10,557
EXPENDITURES:				
Current operating:				
General government:				
County administrator	1,487	1,153	772	381
Financial services	8,759	8,314	8,212	102
Tax commissioner	11,403	11,657	11,358	299
Total general government	21,649	21,124	20,342	782
Public safety:				
Police services	4,873	4,900	4,322	578
Correctional services	13,671	13,505	12,842	663
Total public safety	18,544	18,405	17,164	1,241
Judiciary:				
Courts	34,333	40,585	39,106	1,479
District attorney	11,026	11,069	10,645	424
Sheriff	73,736	74,770	73,172	1,598
Solicitor	3,655	3,689	3,434	255
Total judiciary	122,750	130,113	126,357	3,756
Public works	15,558	15,374	13,479	1,895
Health and welfare:				
Physical health	1,490	1,490	1,490	–
Indigent medical care	225	225	225	–
Various subsidized agencies	2,043	2,044	2,038	6
General community services	9,420	9,509	7,032	2,477
Total health and welfare	13,178	13,268	10,785	2,483
Culture and recreation:				
Library	16,140	16,140	16,094	46
Total culture and recreation	16,140	16,140	16,094	46
Housing and development:				
Planning and development	654	667	403	264
Total housing and development	654	667	403	264
Miscellaneous	19,012	10,673	5,913	4,760
Total expenditures	227,485	225,764	210,537	15,227
Revenues in excess of expenditures	12,884	26,645	52,429	25,784
OTHER FINANCING SOURCES (USES):				
Transfers in	192	192	165	(27)
Transfers out	(13,819)	(45,299)	(45,295)	4
Other financing sources (uses), net	(13,627)	(45,107)	(45,130)	(23)
Revenues and other financing sources less than expenditures and other financing uses	(743)	(18,462)	7,299	25,761
Fund balance allocation	743	18,462	–	(18,462)
Fund balance – January 1	–	–	136,200	136,200
Fund balance – December 31	$ –	–	143,499	143,499

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

Fire and EMS District Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis)

Year Ended December 31, 2014
(in thousands of dollars)

	Original Budget	Final Budget	Actual (non–GAAP budget basis)	Variance–positive (negative)
REVENUES:				
Taxes	$ 75,325	78,760	80,387	1,627
Intergovernmental	–	373	479	106
Permits and licenses	736	736	761	25
Charges for services	14,212	13,712	14,888	1,176
Investment income	–	23	48	25
Miscellaneous	27	82	158	76
Total revenues	90,300	93,686	96,721	3,035
EXPENDITURES:				
Current operating:				
Public safety:				
Fire and emergency services	86,827	84,990	81,323	3,667
Total public safety	86,827	84,990	81,323	3,667
Housing and development:				
Planning and development	612	618	609	9
Total housing and development	612	618	609	9
Miscellaneous	921	998	–	998
Total expenditures	88,360	86,606	81,932	4,674
Revenues in excess of expenditures	1,940	7,080	14,789	7,709
OTHER FINANCING SOURCES (USES):				
Transfers in	3,425	4,185	4,185	–
Transfers out	(5,153)	(5,153)	(5,027)	126
Other financing sources (uses), net	(1,728)	(968)	(842)	126
Revenues and other financing sources in excess of expenditures and other financing uses	212	6,112	13,947	7,835
Fund balance allocation	(212)	(6,112)	–	6,112
Fund balance – January 1	–	–	30,421	30,421
Fund balance – December 31	$ –	–	44,368	44,368

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

Police Services District Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis)

Year Ended December 31, 2014

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non–GAAP budget basis)	Variance–positive (negative)
REVENUES:				
Taxes	$ 79,742	83,515	86,667	3,152
Intergovernmental	–	159	196	37
Permits and licenses	4,319	3,920	3,898	(22)
Charges for services	1,271	1,271	1,304	33
Fines and forfeitures	9,496	11,118	10,894	(224)
Investment income	36	36	114	78
Miscellaneous	183	214	504	290
Total revenues	95,047	100,233	103,577	3,344
EXPENDITURES:				
Current operating:				
Public safety:				
Police services	80,860	78,606	72,982	5,624
Total public safety	80,860	78,606	72,982	5,624
Judiciary:				
Courts	1,364	1,357	1,307	50
Solicitor	640	607	531	76
Recorder's court	1,663	1,700	1,675	25
Total judiciary	3,667	3,664	3,513	151
Housing and development:				
Planning and development	755	734	563	171
Total housing and development	755	734	563	171
Miscellaneous	2,956	2,862	1,620	1,242
Total expenditures	88,238	85,866	78,678	7,188
Revenues in excess of expenditures	6,809	14,367	24,899	10,532
OTHER FINANCING SOURCES (USES):				
Transfers in	1,713	2,092	2,092	–
Transfers out	(8,487)	(21,770)	(21,460)	310
Other financing sources (uses), net	(6,774)	(19,678)	(19,368)	310
Revenues and other financing sources less than expenditures and other financing uses	35	(5,311)	5,531	10,842
Fund balance allocation	(35)	5,311	–	(5,311)
Fund balance – January 1	–	–	37,862	37,862
Fund balance – December 31	$ –	–	43,393	43,393

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

Proprietary Funds Statement of Net Position

December 31, 2014
(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	$ 100,005	24,397	35,740	160,142	36,022
Investments	2,651	2,286	920	5,857	3,338
Accounts receivable, net of allowance	31,978	1,088	1,912	34,978	1,373
Due from other governments	–	–	132	132	–
Inventories	2,961	–	–	2,961	460
Prepaid items	601	9	–	610	3,585
Restricted cash and cash equivalents	40,054	–	–	40,054	–
Other assets	637	–	–	637	–
Total current assets	178,887	27,780	38,704	245,371	44,778
Noncurrent assets:					
Investments	90,479	11,240	26,480	128,199	47,128
Land and construction in progress	157,008	7,302	14,316	178,626	23
Other capital assets, net of depreciation	2,978,088	406,335	26,739	3,411,162	545
Total noncurrent assets	3,225,575	424,877	67,535	3,717,987	47,696
Total assets	3,404,462	452,657	106,239	3,963,358	92,474
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding of bonds	14,081	–	–	14,081	–
Total deferred outflows of resources	14,081	–	–	14,081	–
LIABILITIES:					
Current liabilities:					
Accounts payable	13,754	3,089	5,567	22,410	3,313
Payroll payable	1,152	171	35	1,358	933
Retainage payable	1,689	4	–	1,693	–
Accumulated leave benefits – current	1,200	176	34	1,410	1,315
Estimated claims payable – current	–	–	–	–	2,715
Customer deposits payable	3,886	–	–	3,886	–
Accrued interest payable – from restricted assets	14,853	–	–	14,853	–
Due to others	–	131	22	153	13
Notes payable – current	2,326	225	–	2,551	–
Revenue bonds payable – current – from restricted assets	61,050	–	–	61,050	–
Unearned revenue	214	–	41,446	41,660	10
Total current liabilities	100,124	3,796	47,104	151,024	8,299
Noncurrent liabilities:					
Accumulated leave benefits	789	111	26	926	1,009
Estimated claims payable	–	–	–	–	5,148
Notes payable	40,882	4,439	–	45,321	–
Revenue bonds payable	774,727	–	–	774,727	–
Total noncurrent liabilities	816,398	4,550	26	820,974	6,157
Total liabilities	916,522	8,346	47,130	971,998	14,456
NET POSITION:					
Net investment in capital assets	2,268,503	408,969	41,055	2,718,527	568
Restricted for debt service	25,201	–	–	25,201	–
Unrestricted	208,317	35,342	18,054	261,713	77,450
Total net position	$ 2,502,021	444,311	59,109	3,005,441	78,018
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(689)	
Net position of business-type activities				$ 3,004,752	

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

Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position

Year Ended December 31, 2014

(in thousands of dollars)

	Enterprise Funds				
	Water and Sewerage	Storm-water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:					
Residential and commercial service	$ 288,199	–	–	288,199	–
Wholesale service	4,287	–	–	4,287	–
Public fire protection charges	677	–	–	677	–
Connection charges	1,209	–	–	1,209	–
Operating lease income and rental income from individual hangars	–	–	931	931	–
Charges to other funds	–	–	–	–	103,236
Employee contributions	–	–	–	–	5,251
User fees and charges	–	31,147	46,137	77,284	–
Miscellaneous	4,635	35	146	4,816	2,609
Total operating revenues	299,007	31,182	47,214	377,403	111,096
OPERATING EXPENSES:					
Water production	14,564	–	–	14,564	–
Distribution and collection	31,090	–	–	31,090	–
Engineering	4,465	–	–	4,465	–
Reclamation	31,826	–	–	31,826	–
Vehicle maintenance and repair	–	–	–	–	3,616
Benefit claims	–	–	–	–	16,742
Insurance premiums	–	–	–	–	28,986
Depreciation and amortization	77,632	16,001	3,665	97,298	111
Transit operations	–	–	14,672	14,672	–
General and administrative	26,692	11,988	40,488	79,168	65,749
Total operating expenses	186,269	27,989	58,825	273,083	115,204
Operating income (loss)	112,738	3,193	(11,611)	104,320	(4,108)
NON-OPERATING REVENUES (EXPENSES):					
Intergovernmental	–	–	6,391	6,391	–
Investment earnings	868	88	457	1,413	652
Interest expense	(38,402)	(143)	–	(38,545)	–
Loss on disposal of capital assets	(1,902)	(9,868)	–	(11,770)	–
Total non-operating revenues (expenses)	(39,436)	(9,923)	6,848	(42,511)	652
Income (loss) before transfers and contributions	73,302	(6,730)	(4,763)	61,809	(3,456)
Capital contributions	29,051	1,638	592	31,281	–
Transfers in	–	–	3,995	3,995	–
Transfers out	(165)	–	(1)	(166)	(1,161)
Change in net position	102,188	(5,092)	(177)	96,919	(4,617)
Net position – January 1	2,399,833	449,403	59,286		82,635
Net position – December 31	$ 2,502,021	444,311	59,109		78,018
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(3,126)	
Change in net position of business-type activities				$ 93,793	

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

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2014

(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	$ 298,501	31,253	49,426	379,180	111,199
Cash payments to suppliers for goods and services	(75,709)	(6,864)	(53,338)	(135,911)	(25,085)
Cash payments to employees for services	(42,031)	(5,203)	(1,118)	(48,352)	(42,928)
Claims and premiums paid	–	–	–	–	(47,297)
Net cash flows provided/(required) by operating activities	180,761	19,186	(5,030)	194,917	(4,111)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating grants	–	–	7,104	7,104	–
Transfers from other funds	–	–	3,995	3,995	–
Transfers (to) other funds	(165)	–	(1)	(166)	(1,161)
Net cash provided/(required) by noncapital activities	(165)	–	11,098	10,933	(1,161)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	543	–	1,796	2,339	–
Acquisition and construction of capital assets	(70,215)	(15,425)	(1,314)	(86,954)	(116)
Proceeds from sale of capital assets	82	10	–	92	–
Principal payments – revenue bonds	(58,955)	–	–	(58,955)	–
Principal payments – notes payable	(2,258)	(217)	–	(2,475)	–
Interest paid	(39,412)	(143)	–	(39,555)	–
Capital contributed by others	16,679	–	–	16,679	–
Payments of contract retention	(3,384)	–	–	(3,384)	–
Contract retainage withheld	2,398	–	–	2,398	–
Net cash provided/(required) by capital and related financing activities	(154,522)	(15,775)	482	(169,815)	(116)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of investments	208,737	35,581	19,838	264,156	30,920
Purchase of investments	(247,400)	(43,147)	(26,824)	(317,371)	(48,392)
Investment earnings	868	88	265	1,221	652
Net cash (required) by investing activities	(37,795)	(7,478)	(6,721)	(51,994)	(16,820)
Net (decrease) in cash and cash equivalents	(11,721)	(4,067)	(171)	(15,959)	(22,208)
Cash and cash equivalents at beginning of year	151,780	28,464	35,911	216,155	58,230
Cash and cash equivalents at end of year	$ 140,059	24,397	35,740	200,196	36,022
Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:					
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	$ 112,738	3,193	(11,611)	104,320	(4,108)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:					
Depreciation and amortization	77,632	16,001	3,665	97,298	111
CHANGE IN ASSETS AND LIABILITIES:					
(Increase) decrease in receivables	(514)	71	1,225	782	93
Decrease in inventories	299	–	–	299	220
(Increase) decrease in prepaid items	(452)	(9)	–	(461)	444
Increase (decrease) in payables	(9,222)	(13)	791	(8,444)	332
Increase (decrease) in other liabilities	151	(81)	(87)	(17)	(1,203)
Increase (decrease) in unearned revenue	(47)	–	987	940	–
Increase in payroll payables	121	24	–	145	–
Increase in customer deposits	55	–	–	55	–
Net cash provided/(required) by operating activities	$ 180,761	19,186	(5,030)	194,917	(4,111)
Non-cash capital contributed by others	$ 11,829	1,638	–	13,467	–

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

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2014
(in thousands of dollars)

	Agency Funds	Pension (and Other Employee Benefit) Trust Funds
ASSETS:		
Cash and cash equivalents	$ 35,358	39,826
Investments, at fair value:		
U.S. treasury bonds	–	52,211
Asset-backed securities	–	23,305
U.S. governmental agencies	–	67,194
Commercial mortgage-backed securities	–	11,900
Futures contracts	–	(31)
Corporate bonds	–	86,059
Collateralized mortgage obligations	–	1,441
Corporate equities	–	490,783
Non-U.S. government bonds	–	1,704
International equities	–	148,539
Mutual funds invested in equities	–	60,289
Preferred stock	–	734
Global fixed income	–	48,325
Taxable municipal bonds	–	677
Total investments	–	993,130
Securities lending collateral investment pool	–	77,802
Contributions receivable from employer	–	434
Prepaid assets	–	4,803
Taxes receivable	19,032	–
Total assets	$ 54,390	1,115,995
LIABILITIES:		
Accounts payable	$ –	2,800
Liability for securities lending agreement	–	77,802
Due to others	54,390	–
Total liabilities	$ 54,390	80,602
NET POSITION:		
Net position – restricted for pension benefits		921,171
Net position – restricted for other employee benefits		114,222
Total net position		$ 1,035,393

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 Position

Year Ended December 31, 2014
(in thousands of dollars)

ADDITIONS:		
Contributions:		
Employer	$	58,689
Employee		11,743
Total contributions		70,432
Investment income:		
Net increase in the fair value of investments		46,598
Securities lending income		196
Interest and dividends		23,525
		70,319
Less – Investment expense		(4,367)
Securities lending expense		(15)
Net investment income		65,937
Total additions		136,369
DEDUCTIONS:		
Benefits paid		61,934
Insurance premiums		6,220
Administrative expenses		1,496
Total deductions		69,650
Change in net position		66,719
Net position – restricted for pension and other employee benefits:		
Beginning of year		968,674
End of year	$	1,035,393

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

Component Units Combining Statement of Net Position

December 31, 2014
(in thousands of dollars)

	Public Library	Development Authority	Health Department	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 11,124	730	8,999	20,853
Receivables, net of allowance	330	–	–	330
Lease receivable from primary government, current portion	–	2,975	–	2,975
Due from primary government	–	1,891	–	1,891
Due from other governments	–	–	1,378	1,378
Total current assets	11,454	5,596	10,377	27,427
Noncurrent assets:				
Lease receivable from primary government	–	84,545	–	84,545
Capital assets, net of depreciation	1,143	–	1,302	2,445
Total noncurrent assets	1,143	84,545	1,302	86,990
Total assets	12,597	90,141	11,679	114,417
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding of bonds	–	268	–	268
Total deferred outflows of resources	–	268	–	268
LIABILITIES:				
Current liabilities:				
Accounts payable	485	1,891	466	2,842
Unearned revenue	–	–	68	68
Accrued salaries and related payments	387	–	–	387
Total current liabilities	872	1,891	534	3,297
Noncurrent liabilities:				
Due within one year	243	2,975	612	3,830
Due in more than one year	1,461	88,981	180	90,622
Total noncurrent liabilities	1,704	91,956	792	94,452
Total liabilities	2,576	93,847	1,326	97,749
DEFERRED INFLOWS OF RESOURCES:				
Unearned revenue	3,822	–	–	3,822
Total deferred inflows of resources	3,822	–	–	3,822
NET POSITION:				
Net investment in capital assets	361	–	1,302	1,663
Restricted for health programs	–	–	6,560	6,560
Unrestricted	5,838	(3,438)	2,491	4,891
Total net position (deficit)	$ 6,199	(3,438)	10,353	13,114

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

Component Units Combining Statement of Activities

Year Ended December 31, 2014

(in thousands of dollars)

		Program Revenues					
	Expenses	Charges for Services	Operating Grants and Contributions	Public Library Total	Development Authority Total	Health Department Total	Total
Public library	$ 18,056	1,392	582	(16,082)	–	–	(16,082)
Development authority	4,334	14	–	–	(4,320)	–	(4,320)
Health department	23,360	6,090	17,936	–	–	666	666
Total component units	$ 45,750	7,496	18,518	(16,082)	(4,320)	666	(19,736)
General Revenues:							
Lease interest income – development authority				–	4,697	–	4,697
Intergovernmental revenue from primary government, not restricted for specific programs				15,244	–	–	15,244
Intergovernmental revenue from State of Georgia, not restricted for specific programs				709	–	–	709
Investment income				7	2	–	9
Miscellaneous				–	–	248	248
Total general revenues				15,960	4,699	248	20,907
Change in net position				(122)	379	914	1,171
Net position (deficit) – beginning				6,321	(3,817)	9,439	11,943
Net position (deficit) – ending			$	6,199	(3,438)	10,353	13,114

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

DID YOU KNOW...

design is underway for
50 transportation projects
funded by the
2014 SPLOST program?

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," as amended by GASB Statements No. 39 and 61, 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 for 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. Bond issuance authorizations are approved by the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2014, the authority had no assets, liabilities, or fund equity. In addition, during 2014, 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. Bond issuance authorizations are approved by the County's governing authority and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2014, the authority had no assets, liabilities, or fund equity. In addition, during 2014, 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 rates for user charges and bond issuance authorizations are approved by the governing authority of the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies.

The **Stormwater Authority**, consisting of a seven-member board, is appointed by the governing authority of the County. The Stormwater Authority provides a means to issue revenue bonds for stormwater infrastructure. Although it is legally separate from the County, the Stormwater Authority is reported as if it were a part of the primary government because its sole purpose is to acquire, construct, expand, improve, and maintain stormwater management systems and facilities for the County. The rates for user charges and bond issuance authorizations are approved by the governing authority of the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. At December 31, 2014, the authority had no assets, liabilities, or fund equity. In addition, during 2014, 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. Bond issuance authorizations are approved by the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2014, the authority had no assets, liabilities, or fund equity. In addition, during 2014, the authority had no revenues or expenses.

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

75 Langley Drive
Lawrenceville, GA 30046

Included with the reporting entity as Discretely Presented Component Units:
The **Gwinnett County Public Library** (the "Library") operates the County's public libraries for the residents 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, 2014.

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 30046

The **Development Authority of Gwinnett County** consists of a seven-member board appointed by the governing authority of the County. The Development Authority's sole purpose is to finance the acquisition or construction of industrial and commercial facilities deemed to be in the public interest through the issuance of bonds. These bonds are issued on behalf of various public or private entities, including the Gwinnett County Board of Education. 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 Statements No. 14 and 61. 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 6.2 percent of the board's revenues during its fiscal year ended June 30, 2014. 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 financial information presented for this discretely presented component unit is as of June 30, 2014.

The County does not prepare the financial statements of the Board of Health. The Board of Health engages other auditors to perform an audit of its financial records. Complete financial statements of the Gwinnett County Health Department may be obtained at the following address:

District 3-4 Accounting Office
P.O. Box 897
Lawrenceville, GA 30046

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 organizational structure of the RC in Georgia. The County paid dues in the amount of $834,200 to the ARC for the year ended December 31, 2014. 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 an 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 position 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 position 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. Similar to accrual accounting, expenditures generally are recorded when a liability is incurred. 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 2014, the County has recorded a $27.1 million receivable and unavailable revenue for insurance premium tax due from the state of Georgia for taxes collected in 2014, which will be paid to the County in 2015. The County has recorded a $7.2 million receivable and unavailable revenue for property taxes and special assessments levied in 2014 and prior years, but expected to be collected in 2015 (adjusted for an allowance for doubtful accounts). The County also recorded a $3.6 million receivable and unavailable revenue for emergency medical services provided in 2014, but expected to be collected in 2015 (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. The non-major governmental and enterprise funds are aggregated into a single column within the respective fund financial statements.

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 **Fire and Emergency Medical Services (EMS) District Fund** accounts for the revenues and expenditures attributable to the Fire and Emergency Medical Services District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. The city of Loganville operates its own fire department, but residents and businesses continue to receive county-provided emergency medical services. Properties in this district are taxed based on the services they receive. Property taxes and ambulance fees are the major revenue sources for this fund and are restricted to provide fire and emergency medical services in the district.

The **Police Services District Fund** accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments. Gwinnett County is responsible for providing police protection within this district. Properties in this district are taxed based on the services they receive. Property taxes and Insurance Premium taxes are the major revenue sources for this fund. Minor resources include permits and licenses, fines and forfeitures, and charges for services. These revenues are restricted to provide police services in the district.

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 primary resource for this fund is contributions from governmental operating funds.

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

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

The **2014 Sales Tax Fund** accounts for the financial resources provided from the 2014 one percent Special Purpose Local Option Sales Tax. Such resources are to be used for libraries, parks and recreation, public safety, and transportation projects.

The County reports the following major proprietary 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 production plants and distribution systems.

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

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 the Group Self-Insurance, Risk Management, Fleet Management, Auto Liability, and Administrative Support Funds.

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.

The County also reports the following fiduciary fund types:

Agency Funds account for assets held by the government as an agent for the Tax Commissioner, Clerk of Courts, Recorder's Court, Sheriff, Probate Court, Juvenile Court, and Corrections. Agency Funds are accounted for on the full accrual basis of accounting.

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.

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 the State Treasurer. 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, and U.S. government agency securities. Operating funds are also 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 AAAf 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 by the Office of the State Treasurer under the policies included in Georgia Law *O.C.G.A. §36–83–1 and §36–83–8*. 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 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 that 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 position. Any residual balances outstanding between the governmental and business-type activities are reported in the governmentwide statement of net position as "internal balances." In the fund-level balance sheets or statements of net position, 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. The cost of the related payment is recorded as an expenditure over the time the related services are provided (consumption method).

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 position. The County's capitalization threshold is $25,000 for software and $5,000 for all other assets. Some assets under the threshold 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 an asset's useful life 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. There was no capitalizable interest in 2014.

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
Vehicles	2 – 15

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 position because their use is limited by applicable debt covenants.

J. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category – the deferred charge on refunding reported in the enterprise funds and governmentwide statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category on the governmental funds balance sheet. The following amounts are deferred and recognized as an inflow of resources in the period that the amounts become available:

Unavailable Revenues	General	Fire and EMS Services District	Police Services District	Non-major governmental	Total
Property taxes	$ 4,547	$ 1,246	$ 456	$ 736	$ 6,985
Insurance premium taxes	–	–	27,144	–	27,144
Emergency medical services	–	3,592	–	–	3,592
Special assessments	–	–	–	176	176
Total	$ 4,547	$ 4,838	$ 27,600	$ 912	$ 37,897

K. Compensated Absences

The liability for accumulated unpaid vacation pay, other salary-related payments, and accumulated sick pay benefits for employees in the Defined Contribution Pension Plan have been accrued in the proprietary funds and the governmentwide statements of net position as accumulated leave benefits. Accumulated sick pay for employees in the Defined Contribution Pension Plan has been accrued as the County has a policy in which it pays out in cash a portion of accumulated sick pay at retirement for these employees. The amount accrued for this sick pay has been estimated based on the amount which is probable to be paid. These amounts are not considered a current liability within the governmental fund types' balance sheets since they will be paid from appropriations of subsequent years.

Accumulated sick pay benefits for all other employees 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.

L. 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 Self-Insurance, and Auto Liability Funds (internal service funds), and the governmentwide statement of net position.

M. 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. As of December 31, 2014, it is the County's policy to fund the normal cost and amortization of any unfunded prior service cost over 12 years. 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.

N. 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 position. Bond premiums and discounts are accrued 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. Bond issuance costs are expensed upon issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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.

O. Fund Balance

Fund balance represents the difference between assets and liabilities and deferred inflows of resources in reporting which utilizes the current financial resources measurement focus. 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, through a resolution, 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 County Administrator, Deputy County Administrator, and Chief Financial Officer/Director of Financial Services collectively are authorized by the General Fund Operating Reserve Policy approved by the Board of Commissioners to assign fund balances for specific purposes in accordance with the intent and actions of the Board of Commissioners.

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

In order to maintain a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, Gwinnett County operates under the following fund balance reserve policies:

General Fund Reserve Policy – The County maintains a minimum level of unassigned fund balance in the General Fund equivalent to three months of regular, ongoing operating expenditures (including transfers out).

Special Revenue Funds Reserve Policy – The County maintains a minimum level of restricted or committed fund balance equivalent to three months of regular, ongoing operating expenditures (including transfers out) in all special revenue operating funds that receive property tax revenue (i.e., Recreation District Fund), assess a fee directly to residents (i.e., Speed Hump Fund), or include operational expenditures for more than 25 employees (i.e., E-911 Fund). Amounts used in the special revenue funds reserve policy calculation should not include any amounts allocated for another purpose by the Board of Commissioners.

Enterprise Funds Reserve Policy – The County maintains a minimum level of working capital in enterprise funds equivalent to three months of regular, ongoing operating expenses (including transfers out), except for the Local Transit Operating Fund, which is reported as part of the Transit Fund. The Local Transit Operating Fund, or any fund that is subsidized by the General Fund on an ongoing basis, maintains reserves equal to one month of regular, ongoing operating expenses (including transfers out), with any excess reverting back to the General Fund. For purposes of this calculation, working capital includes long-term investments that can be liquidated within five business days.

P. Net Position

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

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

Q. 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 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.

R. Connection Charges

In the enterprise funds, fees charged to connect to 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.

S. 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.

T. 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.

U. Allocation of Indirect Expenses

The County allocates indirect expenses of the General Fund and Administrative Support Fund to the enterprise funds and certain governmental functions based on their respective use of indirect services.

V. 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 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 sources, whichever is less.

5. Expenditures of any Operating Budget Fund or Capital Budget Fund are subject to the policies as established by the Board of Commissioners and the County Administrator.

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

7. Indirect Cost Allocations and Contributions as appropriated in any Fund within the various accounts of a Department or Agencies are restricted for the express purpose as designated.

8. A vacancy period for a minimum of ninety days shall ensue immediately upon the separation of employment by an employee from a County department or Agency.

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

10. 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 Department Director to:

    (a) set fee structures provided that they are not restricted by rate setting policies and agreements.

    The Director of Financial Services to:

    (a) allocate funds to appropriate Departments or Agency 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 or Agency for required expenses;

(c) allocate funds from the established Prisoner Medical Reserve to various Funds, Departments or Agency when required to cover expenses;

(d) allocate funds from the established Indigent Defense Reserve to appropriate Departments or Agency for required expenses;

(e) allocate funds from the established Court Reporter's Reserve to appropriate Departments or Agency for required expenses;

(f) allocate funds from the established Court Interpreter's Reserve to appropriate Departments or Agency for required expenses;

(g) allocate funds from the established Inmate Housing Reserve to appropriate Departments or Agency for required expenses;

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

(i) allocate funds from Non-Department contingencies and reserves to cover existing obligations/expenses in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources; allocate funds from established reserves for leave balances at retirement, salary adjustments and reclassification to Department and Agency as necessary to provide funding for compensation actions, reductions in force and retirement incentives; transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities and expend funds within Non-Departmental reserve to reduce said accrued liabilities;

(j) 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;

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

(l) approve transfers of appropriations within Department or Agency for 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;

(m) calculate savings associated with the future vacancy of any position and shall further have the authority to amend the budget of such Department or Agency at the time a vacancy arises unless an exception has been granted; and

(n) adjust revenue and appropriation budgets to incorporate collected revenue for confiscated assets for Special Revenue Funds and for capital fund contingency projects, and project specific levels.

The County Administrator to:

(a) transfer funds from Department or Agency 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) grant exceptions to the ninety day vacancy period upon petition by a County Department or Agency so as to permit the vacant position to be filled through hire and appointment without a corresponding budgetary impact; and

(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.

11. 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.

12. 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.



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

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

15. 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.

16. 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, 2014, was amended through supplemental appropriations as follows (in thousands of dollars):

	Original Appropriation Budget	Increase in Appropriation	Amended Appropriation Budget
General Fund	$ 241,304	$ 29,759	$ 271,063
Special Revenue Funds	304,683	8,641	313,324
Debt Service Fund	4,174	3	4,177
Capital Projects Funds	328,498	(198,296)	130,202

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 – for the General, Fire and EMS District, Police Services District, Non-major Special Revenue (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	Fire and EMS District	Police Services District	Non-major Special Revenue Funds	Debt Service Fund	Capital Projects
GAAP basis fund balance	$ 143,533	$ 44,364	$ 43,407	$ 77,820	$ 12,952	$ 541,486
GASB 31 market adjustments	(34)	4	(14)	79	–	1,313
Budget basis	$ 143,499	$ 44,368	$ 43,393	$ 77,899	$ 12,952	$ 542,799



Note 3.

Cash, Cash Equivalents, and Investments

Following are the components of the County's cash, cash equivalents, and investments as of December 31, 2014 (in thousands of dollars):

	Unrestricted	Restricted	Agencies	Pension and Other Employee Trust Funds	Primary Government Total
Cash and Equivalents	$ 577,138	$ 40,054	$ 35,358	$ 39,826	$ 692,376
Investments	662,217	–	–	993,130	1,655,347
Total	$ 1,239,355	$ 40,054	$ 35,358	$ 1,032,956	$ 2,347,723

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 CFO/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 with an average maturity of 12 months or less. The investment portfolio will be invested in permitted investments with a stated maturity of no more than 5 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, 2014, the County did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of investments.

As of December 31, 2014, 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, was as follows:

Investment	(Market Value) Fair Value	Duration (Years)	Credit Quality
Federal agency securities	$ 401,661,845	1.41	AAA
Federal mortgage-backed securities/collaterized mortgage obligations	125,585,599	1.36	AA+
U.S. treasury notes	3,853,828	0.17	AAA
State of Georgia GA1 BNYM Bonds	40,053,965	0.14	AAAf
State of Georgia GA 1	378,021,569	0.14	AAAf
Total cash equivalents and investments	$ 949,176,806		



Pension Trust Fund Investments

As of December 31, 2014, the Pension Trust Fund had $880,973,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality
U.S. treasury bonds	$ 46,315	**AA**
Asset-backed securities	2,887	**AAA**
Asset-backed securities	588	**AA**
Asset-backed securities	2,866	**A**
Asset-backed securities	3,811	**BAA**
Asset-backed securities	10,521	**–**
U.S. government agencies	40,794	**AAA**
U.S. government agencies	943	**A**
U.S. government agencies	8,812	**BAA**
U.S. government agencies	9,057	**–**
Commercial mortgage-backed securities	3,111	**AAA**
Commercial mortgage-backed securities	1,736	**A**
Commercial mortgage-backed securities	3,766	**BAA**
Commercial mortgage-backed securities	1,943	**–**
Futures contracts	(27)	**–**
Corporate bonds	6,853	**AA**
Corporate bonds	20,251	**A**
Corporate bonds	47,582	**BAA**
Corporate bonds	1,654	**–**
Collaterized mortgage obligation	842	**BAA**
Collaterized mortgage obligation	436	**–**
Corporate equities	435,357	**–**
Non-U.S. government bonds	244	**A**
Non-U.S. government bonds	1,268	**BAA**
International equities	131,764	**–**
Mutual funds invested in equities	53,480	**–**
Preferred stock	452	**BAA**
Preferred stock	199	**BA**
Global fixed income	42,867	**–**
Taxable municipal bonds	601	**AA**
Total	$ 880,973	

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, 2014, 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 more than 5 percent of plan net position.

As of December 31, 2014, the Pension Trust Fund had $880,973,000 invested in the following types of investments (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	$ 46,315	8.41
Asset-backed securities	20,673	7.10
U.S. government agencies	59,606	23.89
Commercial mortgage-backed securities	10,556	28.79
Futures contracts	(27)	550.74
Corporate bonds	76,340	11.99
Collaterized mortgage obligations	1,278	22.34
Corporate equities	435,357	–
Non-U.S. government bonds	1,512	9.21
International equities	131,764	–
Mutual funds invested in equities	53,480	–
Preferred stock	651	34.62
Global fixed income	42,867	–
Taxable municipal bonds	601	26.82
Total	$ 880,973	

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 25 percent and 50 percent and between 0 percent and 5 percent in Alternative Investments. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2014, the Fixed Income Assets had an effective duration of 5.19 years compared to the Barclays Capital U.S. Aggregate of 5.20 years. The weighted average yield to maturity of the Portfolio was 2.52 percent compared to the Barclays Aggregate of 2.17 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, 2014, $131,764,000, or 15 percent of Retirement Plan Investment Assets, had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency (in thousands of dollars) are as follows:

Investment	Amount
Australian dollar	$ 1,648
British pound	58,411
Canadian dollar	9,742
Swiss Franc	563
Euro	1,044
U.S. dollar invested in mutual funds with only international equity holdings	60,356
Total	$ 131,764



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 futures contracts are exchange-traded securities to buy or sell United States treasuries at a future date (March 2015, in the case of these contracts) for a specific price. These futures contracts obligate the Plan to purchase United States treasury notes with a notional amount of $18,238,491 on the maturity date in March 2015, while the Pension Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of $11,387,936 on the maturity date in March 2015. These contracts had no significant value when entered into during 2014, and the change in the fair value is a decrease of $27,000, resulting in a net fair value balance of these contracts at December 31, 2014, of a negative $27,000.

The fair values of the futures contracts were estimated using market rates at 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 2015.

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 had no significant credit risk exposure to borrowers because the amounts the Pension Trust Fund owed the borrowers exceeded the amounts the borrowers owed 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, 2014, the OPEB Trust Fund had $112,157,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality
U.S. treasury bonds	$ 5,896	**AA**
Asset-backed securities	368	**AAA**
Asset-backed securities	75	**AA**
Asset-backed securities	365	**A**
Asset-backed securities	485	**BAA**
Asset-backed securities	1,339	**–**
U.S. government agencies	5,193	**AAA**
U.S. government agencies	120	**A**
U.S. government agencies	1,122	**BAA**
U.S. government agencies	1,153	**–**
Commercial mortgage-backed securities	396	**AAA**
Commercial mortgage-backed securities	221	**A**
Commercial mortgage-backed securities	480	**BAA**
Commercial mortgage-backed securities	247	**–**
Futures contracts	(4)	**–**
Corporate bonds	872	**AA**
Corporate bonds	2,578	**A**
Corporate bonds	6,058	**BAA**
Corporate bonds	211	**–**
Collaterized mortgage obligation	107	**BAA**
Collaterized mortgage obligation	56	**–**
Corporate equities	55,426	**–**
Non-U.S. government bonds	31	**A**
Non-U.S. government bonds	161	**BAA**
International equities	16,775	**–**
Mutual funds invested in equities	6,809	**–**
Preferred stock	58	**BAA**
Preferred stock	25	**BA**
Global fixed income	5,458	**–**
Taxable municipal bonds	76	**AA**
Total	$ 112,157	

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. 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, 2014, the OPEB Trust Fund did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of plan net position.

As of December 31, 2014, the OPEB Trust Fund had $112,157,000 invested in the following types of investments (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	$ 5,896	8.41
Asset-backed securities	2,632	7.10
U.S. government agencies	7,588	23.89
Commercial mortgage-backed securities	1,344	28.79
Futures contracts	(4)	550.74
Corporate bonds	9,719	11.99
Collaterized mortgage obligations	163	22.34
Corporate equities	55,426	–
Non-U.S. government bonds	192	9.21
International equities	16,775	–
Mutual funds invested in equities	6,809	–
Preferred stock	83	34.62
Global fixed income	5,458	–
Taxable municipal bonds	76	26.82
Total	$ 112,157	

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 25 percent and 50 percent and between 0 percent and 5 percent in Alternative Investments. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2014, the Fixed Income Assets had an effective duration of 5.19 years compared to the Barclays Capital U.S. Aggregate of 5.20 years. The weighted average yield to maturity of the Portfolio was 2.52 percent compared to the Barclays Aggregate of 2.17 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, 2014, $16,775,000, or 15 percent of OPEB Plan investment assets, had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency (in thousands of dollars) are as follows:

Investment	Amount
Australian dollar	$ 210
British pound	7,436
Canadian dollar	1,240
Swiss Franc	72
U.S. dollar invested in mutual funds with only international equity holdings	7,817
Total	$ 16,775



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 futures contracts are exchange-traded securities to buy or sell United States treasuries at a future date (March 2015, 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 $2,261,509 on the maturity date in March 2015, while the OPEB Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of $1,412,064 on the maturity date in March 2015. These contracts had no significant value when entered into during 2014, and the change in the fair value is a decrease of $4,000, resulting in a net fair value balance of these contracts at December 31, 2014, of a negative $4,000.

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 2015.

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 had no significant credit risk exposure to borrowers because the amounts the OPEB Trust Fund owed the borrowers exceeded the amounts the borrowers owed the OPEB Trust Fund. The contract with the OPEB Trust Fund'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, 2014, upon which the 2014 levy was based, was the taxable assessed value of $25,541,558,288 (40 percent of the estimated actual taxable value of $63,853,895,720).

The County's 2014 millage rate of 13.75 mills includes a rate of 7.40 mills for general purposes, 0.36 mills for Development and Enforcement Services District*; 3.20 mills for Fire and Emergency Medical Services District*; 1.60 mills for Police Services District*; 0.24 mills for general obligation bonds; and 0.95 mills for recreation purposes.

Property taxes for fiscal year 2014 were due in a single installment on October 1.

Levy date	January 1, 2014
Tax bills mailed by	August 1, 2014
Payment due dates	October 1, 2014
Delinquency dates	October 2, 2014
Approximate lien date	February 1, 2015

** County service district funds were created in 2013. Millage rates are based on the location of the property and what services the County provides.*



Note 5.

Allowances For Uncollectible Receivables

Allowances for uncollectible receivables at December 31, 2014, were as follows (in thousands of dollars):

Taxes receivable:		
General Fund	$	1,703
Fire and EMS District		500
Development and Enforcement Services District		34
Police Services District		188
Other Governmental Funds		300
	$	2,725
Accounts receivable:		
Fire and EMS District	$	3,977
Water and Sewerage Fund		1,932
Stormwater Fund		295
Other Enterprise Funds		190
	$	6,394

Note 6.

Due From Other Governments

The total amount due from other governments as of December 31, 2014, is $48,851,000. A total of $27,144,000 is due from the state of Georgia for insurance premium tax collected by the state in 2014, but not yet paid to the County. This amount was estimated using the amount received for 2014 and adjusting it for projected population growth or decline. A total of $15,277,000 is due from the state for sales tax. A total of $129,000 is due from cities for 2014 E-911 expenditures. The majority of the remaining $6,301,000 is due from various grant agencies.

Note 7.

Capital Assets

The County's Capital Asset activity for the year ended December 31, 2014, was as follows (in thousands of dollars):

Primary Government

		Balance January 1, 2014	Increases	Decreases*	Balance December 31, 2014
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$	656,328	47,847	385	703,790
Construction in progress		95,225	60,722	92,214	63,733
Total capital assets, not being depreciated		751,553	108,569	92,599	767,523
Capital assets, being depreciated:					
Land Improvements		440,960	16,355	90	457,225
Buildings		723,390	4,053	2	727,441
Equipment		173,900	16,110	7,065	182,945
Vehicles		91,083	10,843	4,345	97,581
Infrastructure		1,072,984	25,371	10,047	1,088,308
Total capital assets, being depreciated		2,502,317	72,732	21,549	2,553,500
Less accumulated depreciation for:					
Land Improvements		116,234	15,875	10	132,099
Buildings		185,617	16,916	1	202,532
Equipment		118,450	19,418	7,018	130,850
Vehicles		58,049	8,854	4,245	62,658
Infrastructure		307,379	25,111	4,808	327,682
Total accumulated depreciation		785,729	86,174	16,082	855,821
Total capital assets, being depreciated, net		1,716,588	(13,442)	5,467	1,697,679
Governmental-type activities capital assets, net	$	2,468,141	95,127	98,066	2,465,202

** The decrease in construction in progress represents amounts capitalized as land as well as depreciable assets.*

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 70,601	259	–	70,860
Construction in progress	120,426	85,489	98,149	107,766
Total capital assets, not being depreciated	191,027	85,748	98,149	178,626
Capital assets, being depreciated:				
Buildings	835,394	7,476	–	842,870
Improvements	3,098,869	84,267	26,404	3,156,732
Equipment	513,770	20,458	12,167	522,061
Vehicles	43,469	723	281	43,911
Infrastructure	5,647	9	–	5,656
Total capital assets, being depreciated	4,497,149	112,933	38,852	4,571,230
Less accumulated depreciation for:				
Buildings	149,233	18,866	–	168,099
Improvements	644,225	48,650	14,923	677,952
Equipment	267,055	27,917	11,786	283,186
Vehicles	27,045	3,556	281	30,320
Infrastructure	290	221	–	511
Total accumulated depreciation	1,087,848	99,210	26,990	1,160,068
Total capital assets, being depreciated, net	3,409,301	13,723	11,862	3,411,162
Business-type activities capital assets, net	$ 3,600,328	99,471	110,011	3,589,788

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

Governmental Activities:	
General government	$ 10,018
Public safety	15,725
Judiciary	4,950
Public works	32,660
Culture and recreation	22,296
Housing and development	525
Total depreciation expense – governmental activities	$ 86,174

Business-Type Activities:

Water and sewer	$ 79,544
Airport	548
Solid waste	242
Stormwater	16,001
Transit	2,875
Total depreciation expense – business-type activities	$ 99,210

Construction and Other Commitments

The County had active construction projects and other significant commitments as of December 31, 2014. At year-end, the County's commitments with contractors were as follows (in thousands of dollars):

Contract value	$ 1,018,647
Spent-to-date	433,940
Remaining commitments	$ 584,707

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, 2014:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	$ 3,406	56	102	$ 3,360
Less accumulated depreciation	2,100	219	102	2,217
Net capital assets	$ 1,306	(163)	–	$ 1,143

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, 2014:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	$ 2,201	248	–	$ 2,449
Capital Assets	10	761	–	771
Less accumulated depreciation	1,751	167	–	1,918
Net capital assets	$ 460	842	–	$ 1,302

Note 8.

Long-term Obligations

The following is a summary of changes in long-term obligations for the year ended December 31, 2014 (in thousands of dollars):

Governmental Activities:	January 1, 2014	Additions	Retirements	December 31, 2014	Amounts due within one year
General obligation bonds	$ 22,555	–	(3,410)	19,145	3,480
Amounts for issuance premiums	1,807	–	(582)	1,225	–
Total bonds payable	24,362	–	(3,992)	20,370	3,480
Lease payable	90,365	–	(2,845)	87,520	2,975
Accumulated leave benefits	17,372	11,592	(10,687)	18,277	11,479
Estimated claims payable	9,432	15,173	(16,742)	7,863	2,715
Total governmental activity long-term liabilities	$ 141,531	26,765	(34,266)	134,030	20,649

Business-Type Activities:					
Revenue bonds	$ 865,230	–	(58,955)	806,275	61,050
Amounts for issuance premiums	34,047	–	(4,545)	29,502	–
Total bonds payable	899,277	–	(63,500)	835,777	61,050
Notes payable	50,347	–	(2,475)	47,872	2,551
Accumulated leave benefits	2,172	1,684	(1,520)	2,336	1,410
Total business-type activity long-term liabilities	$ 951,796	1,684	(67,495)	885,985	65,011

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, $2,324,000 of internal service fund accumulated leave benefits and $7,863,000 of internal service fund claims payable were included in the preceding table.

For governmental funds, accumulated leave benefits are liquidated by the General, Street Lighting, Crime Victims Assistance, Corrections Inmate Welfare, Fire and EMS District, Development and Enforcement Services District, Police Services District, Sales Tax, Recreation District, E-911, Other Capital Projects, and Grants Funds. Estimated claims payable is liquidated by the Group Self-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 general obligation bonds and revenue bonds, and are discussed below.

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 position. General obligation bonds outstanding as of December 31, 2014, were as follows (in thousands of dollars):

	Interest Rate (%)	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
2012 General Obligation Refunding	1.0 – 5.0	1/1 – 7/1	10/4/12	1/1/19	22,555	–	19,145
					$ 22,555	$ –	$ 19,145

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, 2014, were as follows (in thousands of dollars):

	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
Business Type							
2005 Water and Sewerage Refunding	3.0 – 4.5	2/1 – 8/1	3/17/05	8/1/22	$ 259,600	$ 104,555	$ 155,045
2006 Water and Sewerage Refunding	3.75 – 4.5	2/1 – 8/1	3/9/06	8/1/25	121,375	7,445	113,930
2008 Water and Sewerage	4.0 – 5.0	2/1 – 8/1	8/21/08	8/1/28	190,000	16,840	173,160
2009A Water and Sewerage	1.87 – 4.0	2/1 – 8/1	10/22/09	8/1/28	235,575	48,500	187,075
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	10,505	153,110
					$ 994,120	$ 177,340	806,275
	Deferred Items						29,502
	Net Business-Type Bonds Outstanding						$ 835,777

The annual requirements to amortize bonds payable as of December 31, 2014, excluding unamortized bond premiums of $30,726,514, were as follows (in thousands of dollars):

	General Obligation		Business-Type Revenue		
Year Ended December	Principal	Interest	Principal	Interest	Total
2015	$ 3,480	$ 658	$ 61,050	$ 35,641	$ 100,829
2016	3,690	498	63,725	33,082	100,995
2017	3,865	395	66,270	30,431	100,961
2018	3,960	287	68,925	27,667	100,839
2019	4,150	104	53,520	24,603	82,377
2020 – 2024	–	–	305,445	85,173	390,618
2025 – 2029	–	–	187,340	21,777	209,117
Total	$ 19,145	$ 1,942	$ 806,275	$ 258,374	$ 1,085,736

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	$ 3,130	$ 8,870
2008 Stadium	5.4 – 6.6	1/01 – 07/01	04/01/08	1/1/38	33,000	560	32,440
2010 Civic Center	2.0 – 5.0	03/01– 09/01	11/09/10	9/1/31	52,660	6,450	46,210
Subtotal					$ 97,660	$ 10,140	87,520
Premium							4,436
Total							$ 91,956

The Development Authority (a discretely presented component unit) issued $12 million in fixed-rate revenue bonds on August 30, 2007, to build a parking deck at the Gwinnett Center Arena. On April 1, 2008, the Development Authority issued $33 million in fixed-rate revenue bonds to build the baseball stadium, Coolray Field. In 2001, the Development Authority issued $65 million in variable-rate revenue bonds to fund the construction of the Gwinnett Center Arena, then later restructured those bonds to fixed-rate revenue bonds on November 9, 2010.

The estimated annual requirements to amortize the bonds payable as of December 31, 2014, were as follows (in thousands of dollars):

Development Authority Revenue Bonds Annual Requirements

Year Ended December 31	Principal	Interest	Total Debt Service
2015	$ 2,975	$ 4,613	$ 7,588
2016	3,110	4,473	7,583
2017	3,260	4,325	7,585
2018	3,430	4,151	7,581
2019	3,610	3,967	7,577
2020 – 2024	20,965	16,895	37,860
2025 – 2029	24,680	11,402	36,082
2030 – 2034	16,150	5,156	21,306
2035 – 2038	9,340	1,283	10,623
Total	$ 87,520	$ 56,265	$ 143,785

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 Development Authority bonds. The bonds were issued to finance an expansion of the existing Gwinnett Center.

The County has also entered 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 bonds previously described and are leased at cost with lease repayment terms mirroring the required debt service on the bonds.

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

	Cost	Accumulated Depreciation	Book Value
Land	$ 5,000	$ –	$ 5,000
Land improvements	18,833	(3,546)	15,287
Buildings	147,997	(31,371)	116,626
Equipment	2,872	(1,627)	1,245

The amortization expense for fiscal year 2014 is included in depreciation expense.

Advance Refunding of Debt

In 2005, the County advance refunded that portion of the Series 1997 Water and Sewerage 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, 2014, $150,645,000 of outstanding revenue bonds were considered defeased.

In 2006, the County advance refunded that portion of the Series 2002 Water and Sewerage 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, 2014, $112,300,000 of outstanding revenue bonds were considered defeased.

In 2011, the County advance refunded that portion of the Series 2003B Water and Sewerage 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 and a net present value debt service savings of approximately $9.43 million. The refunded bonds are considered defeased. At December 31, 2014, $159,500,000 of outstanding 2003B revenue bonds were considered defeased.

In September and October 2014, the Gwinnett Water and Sewerage Authority and the Gwinnett Board of Commissioners approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2005 Water and Sewerage Revenue Bonds on a forward/delayed delivery basis. The agenda item awarded the transaction to Citigroup (as the placement agent)/JP Morgan Chase (as the purchaser of these bonds). The date of issuance for these bonds will be August 1, 2015. The interest rate was set at 1.74 percent and the present value savings is $9.2 million. The debt service savings will begin in 2016.

In November and December 2014, the Gwinnett Water and Sewerage Authority and the Board of Commissioners, respectively, approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2006 Water and Sewerage Revenue Bonds on a forward/delayed delivery basis. The agenda item was awarded to Wells Fargo as they offered the lowest true interest rate of 2.36 percent and the greatest present value savings ($13.2 million). The date of issuance for these bonds will be August 1, 2016. The debt service savings will begin in 2017.

In 2012, the County refunded a portion of 2003 General Obligation Bonds maturing in 2014 through 2019, in the aggregate principal amount of $24,385,000. With an original principal amount for the 2012 bonds of $22,555,000, the net proceeds of $24,817,713 were deposited in irrevocable trusts with an escrow agent to provide all future debt payments on the refunded bonds. The result of this transaction is a true-interest cost of 0.81 percent and a decrease in future debt service payments of $2,268,762, resulting in a net present value debt service savings of $2,212,687. The refunded bonds were then redeemed on January 1, 2013, and none remain outstanding.

On January 2, 2013, the County redeemed the remaining 2003 General Obligation Bonds maturing in 2020 through 2023 using available cash. The result of that redemption was a net present value savings of $4.4 million.

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, 2014, General Obligation Bonds outstanding, net of amounts available in the Debt Service Fund of $12,952,000 totaled $6,193,000. The statutory limit at that date was $2,554,156,000, providing a debt margin of $2,547,963,000.

Debt Covenants

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of money 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, 2014, were as follows (in thousands of dollars):

Enterprise Funds	Interest Rates %	Interest Dates	Maturity Dates	Notes Payable January 1, 2014	Additions	Retirements	Notes Payable December 31, 2014
GEFA (CW4005PA)	3.00	Monthly	11/1/28	$ 43,515	$ –	$ 2,178	$ 41,337
GEFA (CW03-002NP)	3.00	–	–	4,881	–	217	4,664
GEFA (09-055)	3.00	–	–	1,951	–	80	1,871
				$ 50,347	$ –	$ 2,475	$ 47,872

The annual requirements to pay the notes outstanding at December 31, 2014, including interest of approximately $11,761,000, were as follows (in thousands of dollars):

Year Ended December 31	Principal	Interest	Total
2015	$ 2,551	$ 1,401	$ 3,952
2016	2,629	1,324	3,953
2017	2,709	1,243	3,952
2018	2,791	1,161	3,952
2019	2,876	1,076	3,952
2020 – 2024	15,747	4,015	19,762
2025 – 2029	16,659	1,495	18,154
2030 – 2032	1,910	46	1,956
Total	$ 47,872	$ 11,761	$ 59,633

Operating Lease Commitments

The County leases certain equipment under operating leases. Rental expenses for all operating leases totaled $5,203,239 for the year ended December 31, 2014. There were no significant future minimum rental payments, contingent rentals, or sublease rentals associated with leases in effect at December 31, 2014.

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 that are considered conduit debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were 49 series of industrial development bonds issued from January 1, 1996 to December 31, 2014, totaling $791,051,486. The total amount of those bonds outstanding as of December 31, 2014, was $535,552,963.

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, 2014 are as follows (in thousands of dollars):

	DUE FROM	
DUE TO	Non-major Governmental	Total
General	$ 2,387	$ 2,387
Total	$ 2,387	$ 2,387

Interfund receivables and payables result from timing differences related to grants and other year-end transactions which normally clear within one month.

Interfund transfers for the year ended December 31, 2014, consisted of the following (in thousands of dollars):

	TRANSFER FROM							
TRANSFER TO	General	Fire and EMS District	Police Services District	Non-major Governmental	Non-major Enterprise	Water and Sewerage	Internal Service Funds	Total
General	$ –	$ –	$ –	$ –	$ –	$ 165	$ –	$ 165
Fire and EMS District	4,185	–	–	–	–	–	–	4,185
Police Services District	2,092	–	–	–	–	–	–	2,092
Other Capital	34,376	5,027	21,460	3,248	1	–	1,161	65,273
Non-major Governmental	647	–	–	2	–	–	–	649
Non-major Enterprise	3,995	–	–	–	–	–	–	3,995
Total	$ 45,295	$ 5,027	$ 21,460	$ 3,250	$ 1	$ 165	$ 1,161	$ 76,359

The majority of transfers from the General, Fire and EMS District, Police Services District, Non-major Governmental, and Internal Service Funds are to fund ongoing and planned capital projects and vehicle replacements. The General Fund also transferred funds to the Transit Enterprise Fund to cover operating deficits.

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, 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 Auto Liability Funds, which are 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 Auto Liability Fund services claims for the County resulting from automobile liability risks. The Workers' Compensation Fund, which is included for reporting purposes in the Risk Management 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 Auto 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 $1,400,000,000 and $2,000,000, respectively. These policies provide for a $100,000 deductible on property damage and a $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 $1,000,000 per occurrence for workers' compensation. Amounts exceeding this are covered by an excess workers' compensation policy. Settlement claims have not exceeded self-funded coverage in the past three fiscal years; therefore, the County has not had to use the excess coverage policy.

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 $1,000,000 of any claim and amounts exceeding the $1,000,000 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, 2014, were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2014	$ 8,191,000	$ 3,349,148	$ 4,480,148	$ 7,060,000
2013	10,270,000	137,000	2,216,000	8,191,000

At December 31, 2014, the Risk Management Fund held $6,918,000 in cash and cash equivalents and the Auto Liability Fund held $590,000 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 Self-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 $325,000 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 Self-Insurance Fund during 2014 and 2013 were as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2014	$ 1,241,000	$ 13,969,000	$ 14,407,000	$ 803,000
2013	1,404,000	13,441,000	13,604,000	1,241,000

At December 31, 2014, the Group Self-Insurance Fund held $16,710,000 in cash and cash equivalents available for payment of these claims.

2014 Claims for Active Employees:

In 2014, there were 1,495 active employees electing medical coverage under self-funded medical plans. The County pays approximately 80 percent of the actuarial projected cost for medical and hospitalization costs incurred by these eligible participants. Expenses by type for the year ended December 31, 2014, were as follows:

1,495 Active Employees Electing Medical Coverage

Administrative Costs	$	783
Stop Loss Insurance		665
Claims Experience		14,407
Total	$	15,855

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. The Bank of New York Mellon is the custodian for the Plan. Great-West Retirement Services, which was renamed Empower Retirement in 2015, 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.

Separate, stand-alone financial statements of the Plan are prepared and can be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive
Lawrenceville, GA 30046

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. 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 or attains sixty-five (65) years of age with at least 5 years of participation. 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 fifty (50) years of age and (B) his age, combined with his years of Vesting Service, equals or exceeds seventy-five (75) or he attains age sixty-five (65) with 5 years of plan participation. 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 year 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, who retires directly from County employment.

Eligibility

Full-time employees with an employment or reemployment 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, 2015.

Plan Membership as of January 1, 2015	
Retirees, beneficiaries and disabled participants receiving benefits	1,964
Terminated plan members entitled to but not receiving benefits	866
Active plan members	1,701
Total	4,531

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, 2014 plan year, the required contribution rate, for County contributions, as a percent of pensionable earnings was set at 35.65 percent. The employees were required to contribute at an average rate of 6.95 percent of pensionable earnings.

The table below shows County costs and contributions for the year ended December 31, 2014, 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
2014	$ 48,288	$ 48,713	101%	$ 153,119
2013	45,644	57,281	125%	152,694
2012	43,477	55,181	127%	141,057

The County's annual pension cost and net pension asset for the 2014 fiscal year were as follows:

Annual required contribution	$ 38,713,000
Interest from net pension asset	(12,215,513)
Adjustment	21,790,140
Annual pension cost	48,287,627
Actual contributions to plan	48,713,000
Less: annual pension cost	48,287,627
Increase in net pension asset	425,373
Net pension asset as of January 1, 2014	152,693,907
Net pension asset as of December 31, 2014	$ 153,119,280

C. Defined Benefit Pension Plan

As of the most recent valuation date, January 1, 2015, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/15	$ 887,207,000	$ 997,597,936	$ 110,390,936	88.9%	$ 98,504,606	112.1%

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 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 types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The assumptions used in the January 1, 2015 actuarial valuation were as follows:

Actuarial Methods and Assumptions:

Valuation date	January 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay
Amortization period	Closed
Remaining amortization period	12 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return (includes inflation)	8.00%
Projected salary increases (includes inflation)	4.50 – 5.50%
Price inflation	3.00%
Wage inflation	4.00%
Cost-of-living adjustments	1.00%
Payroll decrease	5.00%

D. Defined Contribution Pension Plan

The Gwinnett County Defined Contribution Pension Plan (the "DC 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 DC Plan is administered by Great-West Retirement Services, which was renamed Empower Retirement in 2015. On December 31, 2014, there were 2,677 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, 2014, the amount contributed by employees was $4,660,835. The amount contributed by the County was $9,808,598. Effective January 1, 2007, a one (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 DC Plan. Employees vest in the County contributions on the following schedule: after 1 year of service they are vested 33 percent, after 2 years of service they are vested 67 percent, and after 3 years of service they are vested 100 percent.

The DC Plan also contains an additional benefit – the Retiree Medical Savings Plan (401h). This plan is also administered by Great-West Retirement Services. Great-West Retirement Services was renamed Empower Retirement in 2015. 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 2014, the County contributed $455,188 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 postretirement 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. The Bank of New York Mellon is the custodian for the trust. Benefit provisions and contribution requirements are established and may be amended by the County Administrator.

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

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 who are not Medicare Eligible are offered the same health and prescription drug coverage as active employees. Medicare Eligible retirees and former employees who are Medicare Eligible are offered Medicare Advantage plans. Retirees pay approximately 33.2 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 involuntarily 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 in the OPEB Plan as of January 1, 2015.

Active participants	4,422
Retirees and beneficiaries	1,968
Total	6,390

B. Contributions

In 2014, Gwinnett County 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
2014	$ 8,930	$ 9,977	111.72%	$ 31,456
2013	10,687	11,313	105.86%	30,409
2012	15,216	16,877	110.91%	29,783

The County's annual OPEB cost and net OPEB asset for the 2014 fiscal year were as follows:

Employer annual required contribution	$ 9,389,444
Interest on net OPEB asset	(2,128,658)
Adjustment	1,668,973
Annual OPEB cost	8,929,759
Employer actual contributions to plan	9,976,687
Less: annual OPEB cost	8,929,759
Increase in net OPEB asset	1,046,928
Net OPEB asset as of January 1, 2014	30,409,402
Net OPEB asset as of December 31, 2014	$ 31,456,330

C. OPEB Plan

As of the most recent valuation date, January 1, 2015, the funded status of the OPEB Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/15	$ 114,222,310	$ 189,833,218	$ 75,610,908	60.17%	$ 215,187,152	35.14%

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 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 types of benefit provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The assumptions used in the January 1, 2015 actuarial valuation were as follows:

Actuarial Methods and Assumptions:

Valuation date	January 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.00%
Medical cost trend rate:	
Pre-Medicare rate*	7.50% – 5.00%
Ultimate trend rate*	5.00%
Year of ultimate trend rate	2020
Post-Medicare rate*	5.50% – 5.00%
Ultimate trend rate*	5.00%
Year of ultimate trend rate	2017

** Includes inflation at 3.00%*

Note 14.

Fund Balances and Net Position

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

Nonspendable, restricted, committed, assigned, and unassigned fund balances in the various funds as of December 31, 2014, were as follows (in thousands of dollars):

Fund balances	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	2014 Sales Tax	Other Governmental	Total
Nonspendable:									
Inventories	$ 1,238	$ –	$ –	$ –	$ –	$ –	$ –	$ 239	$ 1,477
Prepaid items	3,418	125	388	3	–	343	–	16	4,293
Restricted for:									
Capital projects	–	–	–	–	12,893	303,103	86,166	–	402,162
Debt service	–	–	–	–	–	–	–	12,952	12,952
Special projects:									
Street lighting	–	–	–	–	–	–	–	2,527	2,527
Speed humps	–	–	–	–	–	–	–	1,265	1,265
Authority imaging	–	–	–	–	–	–	–	2,631	2,631
Juvenile court supervision	–	–	–	–	–	–	–	100	100
Tourism	–	–	–	–	–	–	–	7,554	7,554
Stadium	–	–	–	–	–	–	–	1,017	1,017
Law enforcement – sheriff	–	–	–	–	–	–	–	821	821
Law enforcement – police	–	–	–	–	–	–	–	5,519	5,519
Crime victims assistance	–	–	–	–	–	–	–	1,372	1,372
Law enforcement – district attorney	–	–	–	–	–	–	–	361	361
Corrections inmate welfare	–	–	–	–	–	–	–	106	106
Sheriff inmate store	–	–	–	–	–	–	–	2,327	2,327
E-911 services	–	–	–	–	–	–	–	26,790	26,790
Loganville EMS district	–	–	–	–	–	–	–	794	794
Development and enforcement services district	–	–	–	–	–	–	–	8,070	8,070
Recreation district	–	–	–	–	–	–	–	15,660	15,660
Jimmy Carter Boulevard tax allocation district	–	–	–	–	–	–	–	380	380
Indian Trail tax allocation district	–	–	–	–	–	–	–	89	89
Grants	–	–	–	–	–	–	–	2,833	2,833
Fire and EMS services district	–	44,239	–	–	–	–	–	–	44,239
Police services district	–	–	43,019	–	–	–	–	–	43,019
Committed to:									
Tree bank	–	–	–	–	–	–	–	182	182
Assigned to:									
Capital projects	–	–	–	138,978	–	–	–	–	138,978
Unassigned	138,877	–	–	–	–	–	–	–	138,877
Total fund balances	$ 143,533	$ 44,364	$ 43,407	$ 138,981	$ 12,893	$ 303,446	$ 86,166	$ 93,605	$ 866,395

B. Net Position

Net position in the governmentwide statements as of December 31, 2014, was as follows (in thousands of dollars):

Net Position	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	$ 2,353,452	$ 2,718,527	$ 5,071,979
Restricted for:			
Capital projects	402,505	–	402,505
Debt service	13,097	25,201	38,298
Special programs:			
Street lighting	2,700	–	2,700
Speed humps	1,268	–	1,268
Authority imaging	2,631	–	2,631
Juvenile court supervision	100	–	100
Tourism	7,554	–	7,554
Stadium	1,017	–	1,017
Law enforcement – sheriff	821	–	821
Law enforcement – police	5,522	–	5,522
Crime victims assistance	1,372	–	1,372
Law enforcement – district attorney	361	–	361
Corrections inmate welfare	106	–	106
Sheriff inmate store	2,327	–	2,327
E-911 services	26,803	–	26,803
Loganville EMS district	794	–	794
Development and enforcement services district	8,152	–	8,152
Recreation district	16,408	–	16,408
Jimmy Carter Boulevard tax allocation district	380	–	380
Indian Trail tax allocation district	89	–	89
Grants	2,833	–	2,833
Fire and EMS district	49,202	–	49,202
Police services district	71,007	–	71,007
Unrestricted	536,684	261,024	797,708
Total net position	**$ 3,507,185**	**$ 3,004,752**	**$ 6,511,937**

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.

DID YOU KNOW...

in 2014, the Gwinnett County **Purchasing Division** won the **Outstanding Agency Accreditation Achievement Award** from the National Institute of Governmental Purchasing and the **Achievement of Excellence in Procurement Award** from the National Purchasing Institute for the 14th year in a row?

REQUIRED SUPPLEMENTARY INFORMATION







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)
2015	$ 887,207	$ 997,598	88.9%	$ 110,391	$ 98,505	112.1%
2014	$ 802,857	$ 956,488	83.9%	$ 153,631	$ 103,603	148.3%
2013	$ 704,197	$ 916,192	76.9%	$ 211,995	$ 110,766	191.4%

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

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

75 Langley Drive
Lawrenceville, GA 30046

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)
2015	$ 114,222	$ 189,833	60.2%	$ 75,611	$ 215,187	35.1%
2014	$ 106,219	$ 177,474	59.9%	$ 71,254	$ 206,640	34.5%
2013	$ 87,136	$ 154,127	56.5%	$ 66,991	$ 210,700	31.8%

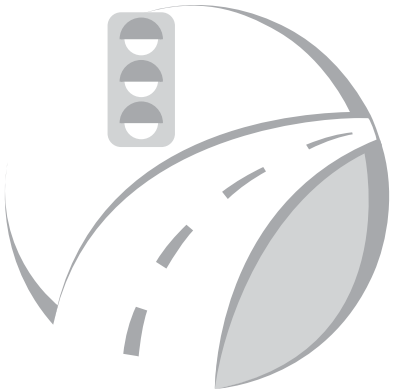
For actuarial assumptions used in the actuarial valuation above, refer to ***Note 13*** of the financial statements.

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

DID YOU KNOW...

the **upgraded GC Smart Commute website**
lets users select camera views and snapshots
to **plan their daily commute**?



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.

Authority Imaging Fund
The Authority Imaging Fund accounts for revenues received from fees collected by the Clerk of Superior Court Authority for document printing. These monies must be used for the development, implementation, and maintenance of a state-wide automated information system.

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
The Tree Bank Fund accounts 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.

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 bi-annually in March and September.

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 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.

Sheriff Special Justice Fund
The Sheriff Special Justice Fund accounts for revenues resulting from the U.S. Department of Justice'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.

Sheriff Special Treasury Fund
The Sheriff Special Treasury Fund accounts for revenues resulting from the U.S. Department of Treasury'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.



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'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 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 charge collected on fines within the Recorder's, Juvenile, State, Superior, and Magistrate Courts of Gwinnett County. Revenues are also received from five percent 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.

District Attorney 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 Welfare Fund
The Corrections Inmate Welfare 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.*

Loganville Emergency Medical Services District Fund
The Loganville Emergency Medical Services District Fund accounts for the revenues and expenditures attributable to the Loganville Emergency Medical Services District. This district includes all properties within the portion of incorporated Loganville that lie within Gwinnett County. The County is responsible for providing emergency medical services within this district. Expenditures are recorded in the fall based upon the certified property tax digest, as outlined in the intergovernmental agreement with the City of Loganville.

Development and Enforcement Services District Fund
The Development and Enforcement Services District Fund accounts for the revenues and expenditures attributable to the Development and Enforcement Services District. This district includes all properties within unincorporated Gwinnett County. The County is responsible for providing short-term planning and code enforcement services within this district. A property tax is levied, which is restricted, to support this service district.

Recreation District Funds
Recreation District Funds include the combined accounts of the Recreation Authority and the Recreation Fund, which 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.

Jimmy Carter Boulevard TAD Fund
The Jimmy Carter Boulevard TAD Fund accounts for the positive tax increment revenues attributable to the Jimmy Carter Tax Allocation District (TAD). These revenues are restricted and used to pay for the redevelopment costs that provide substantial public benefit in accordance with the Jimmy Carter Boulevard Redevelopment Plan. This TAD is located in the Gwinnett Village Community Improvement District along the Jimmy Carter Boulevard corridor adjacent to the city of Norcross.

Indian Trail TAD Fund
The Indian Trail TAD Fund accounts for the positive tax increment revenues attributable to the Indian Trail Tax Allocation District (TAD). These revenues are restricted and used to pay for redevelopment costs that provide substantial public benefit in accordance with the Indian Trail Redevelopment Plan. The Indian Trail TAD is located in the Gwinnett Village Community Improvement District at the I-85 and Indian Trail-Lilburn Road interchange adjacent to the city of Norcross.

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

Debt Service Fund

Debt Service Fund
The Debt Service Fund specifically accounts 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, 2014
(in thousands of dollars)

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice	Police Special State
ASSETS:												
Cash and cash equivalents	$ 77	514	2,631	100	182	7,427	929	261	421	139	2,663	2,930
Investments	3,004	751	–	–	–	–	–	–	–	–	–	–
Receivables, net of allowance:												
Taxes	208	3	–	–	–	–	–	–	–	–	–	–
Accounts	1	–	–	–	–	546	88	–	–	–	–	–
Due from other governments	–	–	–	–	–	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–	–	–	–	–	–
Prepaid assets	–	–	–	–	–	–	–	–	–	–	3	–
Total assets	$ 3,290	1,268	2,631	100	182	7,973	1,017	261	421	139	2,666	2,930
LIABILITIES:												
Accounts payable	$ 590	–	–	–	–	419	–	–	–	–	13	61
Payroll payable	–	–	–	–	–	–	–	–	–	–	–	–
Retainage payable	–	–	–	–	–	–	–	–	–	–	–	–
Due to other funds	–	–	–	–	–	–	–	–	–	–	–	–
Due to others	–	–	–	–	–	–	–	–	–	–	–	–
Total liabilities	590	–	–	–	–	419	–	–	–	–	13	61
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue – property taxes	173	3	–	–	–	–	–	–	–	–	–	–
Total deferred inflows of resources	173	3	–	–	–	–	–	–	–	–	–	–
FUND BALANCES:												
Nonspendable	–	–	–	–	–	–	–	–	–	–	3	–
Restricted	2,527	1,265	2,631	100	–	7,554	1,017	261	421	139	2,650	2,869
Committed	–	–	–	–	182	–	–	–	–	–	–	–
Total fund balances	2,527	1,265	2,631	100	182	7,554	1,017	261	421	139	2,653	2,869
Total liabilities, deferred inflows of resources and fund balances	$ 3,290	1,268	2,631	100	182	7,973	1,017	261	421	139	2,666	2,930

Special Revenue Funds													
Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement Services District	Recreation District	Jimmy Carter Boulevard TAD	Indian Trail TAD	Grant	Total	Debt Service	Total Other Governmental Funds
1,405	361	109	2,365	12,035	103	2,320	9,348	140	32	–	46,492	12,908	59,400
–	–	–	–	14,927	691	6,009	7,006	–	–	–	32,388	–	32,388
–	–	–	–	–	–	121	679	–	–	–	1,011	189	1,200
3	–	–	–	18	–	23	11	240	57	–	987	–	987
–	–	–	–	129	–	–	–	–	–	6,157	6,286	–	6,286
–	–	–	–	–	–	–	239	–	–	–	239	–	239
–	–	–	–	13	–	–	–	–	–	–	16	–	16
1,408	361	109	2,365	27,122	794	8,473	17,283	380	89	6,157	87,419	13,097	100,516
36	–	3	38	83	–	256	874	–	–	794	3,167	–	3,167
–	–	–	–	236	–	–	–	–	–	–	236	–	236
–	–	–	–	–	–	–	1	–	–	143	144	–	144
–	–	–	–	–	–	–	–	–	–	2,387	2,387	–	2,387
–	–	–	–	–	–	65	–	–	–	–	65	–	65
36	–	3	38	319	–	321	875	–	–	3,324	5,999	–	5,999
–	–	–	–	–	–	82	509	–	–	–	767	145	912
–	–	–	–	–	–	82	509	–	–	–	767	145	912
–	–	–	–	13	–	–	239	–	–	–	255	–	255
1,372	361	106	2,327	26,790	794	8,070	15,660	380	89	2,833	80,216	12,952	93,168
–	–	–	–	–	–	–	–	–	–	–	182	–	182
1,372	361	106	2,327	26,803	794	8,070	15,899	380	89	2,833	80,653	12,952	93,605
1,408	361	109	2,365	27,122	794	8,473	17,283	380	89	6,157	87,419	13,097	100,516

Other Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2014

(in thousands of dollars)

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice	Police Special State
REVENUES:												
Taxes	$ –	–	–	–	–	8,336	1,024	–	–	–	–	–
Permits and licenses	–	–	–	–	68	–	–	–	–	–	–	–
Intergovernmental	–	–	–	–	–	–	662	–	–	–	–	–
Charges for services	6,767	116	643	48	–	–	735	–	–	–	–	–
Fines and forfeitures	–	–	–	–	–	–	–	96	169	7	258	386
Investment earnings	9	3	2	–	–	2	–	–	1	–	–	–
Miscellaneous	21	–	–	–	–	–	–	–	–	2	–	1
Total revenues	6,797	119	645	48	68	8,338	2,421	96	170	9	258	387
EXPENDITURES:												
Current operating:												
Public safety	–	–	–	–	–	–	–	–	–	–	441	387
Judiciary	–	–	–	51	–	–	–	–	319	11	–	–
Public works	7,199	59	–	–	–	–	–	–	–	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–	–	–	–
Housing and development	–	–	–	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	2,534	–	–	–	–	–	–
Development authority	–	–	–	–	–	4,934	2,684	–	–	–	–	–
Grant programs	–	–	–	–	–	–	–	–	–	–	–	–
Capital outlay	–	–	–	–	–	–	–	–	84	–	83	57
Debt service	–	–	–	–	–	–	–	–	–	–	–	–
Intergovernmental	–	–	–	–	–	–	–	–	–	–	–	–
Total expenditures	7,199	59	–	51	–	7,468	2,684	–	403	11	524	444
Revenues in excess of (less than) expenditures	(402)	60	645	(3)	68	870	(263)	96	(233)	(2)	(266)	(57)
OTHER FINANCING SOURCES (USES):												
Transfers in	–	–	–	–	–	–	–	–	–	–	–	–
Transfers out	–	–	–	–	–	–	–	–	–	–	(125)	(58)
Other financing sources (uses), net	–	–	–	–	–	–	–	–	–	–	(125)	(58)
Net change in fund balances	(402)	60	645	(3)	68	870	(263)	96	(233)	(2)	(391)	(115)
Fund balances – January 1	2,929	1,205	1,986	103	114	6,684	1,280	165	654	141	3,044	2,984
Fund balances – December 31	$ 2,527	1,265	2,631	100	182	7,554	1,017	261	421	139	2,653	2,869

Special Revenue Funds													
Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement Services District	Recreation District	Jimmy Carter Boulevard TAD	Indian Trail TAD	Grant	Total	Debt Service	Total Other Governmental Funds
–	–	–	–	–	–	6,135	25,576	380	89	–	41,540	6,732	48,272
–	–	–	–	–	–	3,300	–	–	–	–	3,368	–	3,368
–	–	–	–	–	–	33	142	–	–	13,218	14,055	36	14,091
–	–	76	576	14,859	–	532	3,686	–	–	–	28,038	–	28,038
983	12	–	–	–	–	–	–	–	–	–	1,911	–	1,911
1	–	–	–	360	17	23	42	–	–	–	460	1	461
6	–	7	–	14	–	6	2,061	–	–	1,894	4,012	–	4,012
990	12	83	576	15,233	17	10,029	31,507	380	89	15,112	93,384	6,769	100,153
–	–	47	–	12,543	19	2,325	–	–	–	–	15,762	–	15,762
980	44	–	315	–	–	–	–	–	–	–	1,720	–	1,720
–	–	–	–	–	–	–	–	–	–	–	7,258	–	7,258
–	–	–	–	–	–	–	27,301	–	–	–	27,301	–	27,301
–	–	–	–	–	–	5,276	–	–	–	–	5,276	–	5,276
–	–	–	–	–	–	–	–	–	–	–	2,534	–	2,534
–	–	–	–	–	–	–	–	–	–	–	7,618	–	7,618
–	–	–	–	–	–	–	–	–	–	15,977	15,977	–	15,977
–	14	–	–	–	–	–	13	–	–	769	1,020	–	1,020
–	–	–	–	–	–	–	–	–	–	–	–	4,175	4,175
–	–	–	–	3,043	–	–	–	–	–	–	3,043	–	3,043
980	58	47	315	15,586	19	7,601	27,314	–	–	16,746	87,509	4,175	91,684
10	(46)	36	261	(353)	(2)	2,428	4,193	380	89	(1,634)	5,875	2,594	8,469
–	–	–	–	–	–	471	–	–	–	178	649	–	649
–	(48)	–	–	(25)	–	(62)	(2,930)	–	–	(2)	(3,250)	–	(3,250)
–	(48)	–	–	(25)	–	409	(2,930)	–	–	176	(2,601)	–	(2,601)
10	(94)	36	261	(378)	(2)	2,837	1,263	380	89	(1,458)	3,274	2,594	5,868
1,362	455	70	2,066	27,181	796	5,233	14,636	–	–	4,291	77,379	10,358	87,737
1,372	361	106	2,327	26,803	794	8,070	15,899	380	89	2,833	80,653	12,952	93,605

DID YOU KNOW...

the Georgia FOG Alliance recognized
Water Resources with the
Large Program of the Year Award
for the fats, oils, and grease program in 2014?



Budgetary Compliance





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

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

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

Grant Fund
Schedule of revenues and expenditures – budget and actual

Special Revenue Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2014

(in thousands of dollars)

	Street Lighting			Speed Hump			Authority Imaging		
	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)
REVENUES:									
Taxes	$ –	–	–	–	–	–	–	–	–
Permits and licenses	–	–	–	–	–	–	–	–	–
Intergovernmental	–	–	–	–	–	–	–	–	–
Charges for services	6,834	6,767	(67)	117	116	(1)	798	643	(155)
Fines and forfeitures	–	–	–	–	–	–	–	–	–
Investment earnings	6	9	3	4	3	(1)	2	2	–
Miscellaneous	21	21	–	–	–	–	–	–	–
Total revenues	6,861	6,797	(64)	121	119	(2)	800	645	(155)
EXPENDITURES:									
Current operating:									
Public safety	–	–	–	–	–	–	–	–	–
Judiciary	–	–	–	–	–	–	1,904	–	1,904
Public works	7,519	7,199	320	59	59	–	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	–	–	–	–
Development authority	–	–	–	–	–	–	–	–	–
Total expenditures	7,519	7,199	320	59	59	–	1,904	–	1,904
Revenues in excess of (less than) expenditures	(658)	(402)	256	62	60	(2)	(1,104)	645	1,749
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	(658)	(402)	256	62	60	(2)	(1,104)	645	1,749
Fund balance allocation	658	–	(658)	(62)	–	62	1,104	–	(1,104)
Fund balances – January 1	–	2,929	2,929	–	1,205	1,205	–	1,986	1,986
Fund balances – December 31	$ –	2,527	2,527	–	1,265	1,265	–	2,631	2,631

Budget and Actual (Budget Basis)

Juvenile Court Supervision			Tree Bank			Tourism			Stadium			Sheriff 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)
–	–	–	–	–	–	8,509	8,336	(173)	825	1,024	199	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	650	662	12	–	–	–
64	48	(16)	55	68	13	–	–	–	725	735	10	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	77	96	19
–	–	–	–	–	–	8	2	(6)	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
64	48	(16)	55	68	13	8,517	8,338	(179)	2,200	2,421	221	77	96	19
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
64	51	13	–	–	–	–	–	–	–	–	–	227	–	227
–	–	–	55	–	55	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	2,895	2,534	361	–	–	–	–	–	–
–	–	–	–	–	–	4,934	4,934	–	2,685	2,684	1	–	–	–
64	51	13	55	–	55	7,829	7,468	361	2,685	2,684	1	227	–	227
–	(3)	(3)	–	68	68	688	870	182	(485)	(263)	222	(150)	96	246
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	(3)	(3)	–	68	68	688	870	182	(485)	(263)	222	(150)	96	246
–	–	–	–	–	–	(688)	–	688	485	–	(485)	150	–	(150)
–	103	103	–	114	114	–	6,684	6,684	–	1,280	1,280	–	165	165
–	100	100	–	182	182	–	7,554	7,554	–	1,017	1,017	–	261	261

continued…

Special Revenue Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2014

(in thousands of dollars)

	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)
REVENUES:									
Taxes	$ –	–	–	–	–	–	–	–	–
Permits and licenses	–	–	–	–	–	–	–	–	–
Intergovernmental	–	–	–	–	–	–	–	–	–
Charges for services	–	–	–	–	–	–	–	–	–
Fines and forfeitures	158	169	11	5	7	2	249	258	9
Investment earnings	1	1	–	–	–	–	–	–	–
Miscellaneous	–	–	–	2	2	–	–	–	–
Total revenues	159	170	11	7	9	2	249	258	9
EXPENDITURES:									
Current operating:									
Public safety	–	–	–	–	–	–	954	524	430
Judiciary	809	403	406	91	11	80	–	–	–
Public works	–	–	–	–	–	–	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	–	–	–	–
Development authority	–	–	–	–	–	–	–	–	–
Total expenditures	809	403	406	91	11	80	954	524	430
Revenues in excess of (less than) expenditures	(650)	(233)	417	(84)	(2)	82	(705)	(266)	439
OTHER FINANCING SOURCES (USES):									
Transfers in	–	–	–	–	–	–	–	–	–
Transfers out	–	–	–	–	–	–	(166)	(125)	41
Other financing sources (uses), net	–	–	–	–	–	–	(166)	(125)	41
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(650)	(233)	417	(84)	(2)	82	(871)	(391)	480
Fund balance allocation	650	–	(650)	84	–	(84)	871	–	(871)
Fund balances – January 1	–	654	654	–	141	141	–	3,044	3,044
Fund balances – December 31	$ –	421	421	–	139	139	–	2,653	2,653

Police Special State			Crime Victims Assistance			District Attorney Federal Asset Sharing			Corrections Inmate Welfare		
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)
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	70	76	6
300	386	86	872	983	111	9	12	3	–	–	–
–	–	–	2	1	(1)	1	–	(1)	–	–	–
–	1	1	–	6	6	–	–	–	8	7	(1)
300	387	87	874	990	116	10	12	2	78	83	5
803	444	359	–	–	–	–	–	–	82	47	35
–	–	–	1,240	980	260	176	58	118	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
803	444	359	1,240	980	260	176	58	118	82	47	35
(503)	(57)	446	(366)	10	376	(166)	(46)	120	(4)	36	40
–	–	–	–	–	–	–	–	–	–	–	–
(73)	(58)	15	–	–	–	(48)	(48)	–	–	–	–
(73)	(58)	15	–	–	–	(48)	(48)	–	–	–	–
(576)	(115)	461	(366)	10	376	(214)	(94)	120	(4)	36	40
576	–	(576)	366	–	(366)	214	–	(214)	4	–	(4)
–	2,984	2,984	–	1,362	1,362	–	455	455	–	70	70
–	2,869	2,869	–	1,372	1,372	–	361	361	–	106	106

continued…

Special Revenue Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2014

(in thousands of dollars)

	Sheriff Inmate			E-911			Loganville EMS District		
	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)
REVENUES:									
Taxes	$ –	–	–	–	–	–	–	–	–
Permits and licenses	–	–	–	–	–	–	–	–	–
Intergovernmental	–	–	–	–	–	–	–	–	–
Charges for services	458	576	118	14,002	14,859	857	–	–	–
Fines and forfeitures	–	–	–	–	–	–	–	–	–
Investment earnings	–	–	–	123	199	76	6	5	(1)
Miscellaneous	–	–	–	–	14	14	–	–	–
Total revenues	458	576	118	14,125	15,072	947	6	5	(1)
EXPENDITURES:									
Current operating:									
Public safety	–	–	–	18,114	15,586	2,528	24	19	5
Judiciary	529	315	214	–	–	–	–	–	–
Public works	–	–	–	–	–	–	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	–	–	–	–
Development authority	–	–	–	–	–	–	–	–	–
Total expenditures	529	315	214	18,114	15,586	2,528	24	19	5
Revenues in excess of (less than) expenditures	(71)	261	332	(3,989)	(514)	3,475	(18)	(14)	4
OTHER FINANCING SOURCES (USES):									
Transfers in	–	–	–	–	–	–	–	–	–
Transfers out	–	–	–	(34)	(25)	9	–	–	–
Other financing sources (uses), net	–	–	–	(34)	(25)	9	–	–	–
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(71)	261	332	(4,023)	(539)	3,484	(18)	(14)	4
Fund balance allocation	71	–	(71)	4,023	–	(4,023)	18	–	(18)
Fund balances – January 1	–	2,066	2,066	–	27,422	27,422	–	812	812
Fund balances – December 31	$ –	2,327	2,327	–	26,883	26,883	–	798	798

Development & Enforcement Services District			Recreation District			Jimmy Carter Boulevard TAD			Indian Trail TAD		
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)
6,049	6,135	86	25,265	25,576	311	380	380	–	89	89	–
3,258	3,300	42	–	–	–	–	–	–	–	–	–
26	33	7	53	142	89	–	–	–	–	–	–
324	532	208	3,607	3,686	79	–	–	–	–	–	–
–	–	–	–		–	–	–	–	–	–	–
28	21	(7)	29	39	10	–	–	–	–	–	–
–	6	6	1,810	2,061	251	–	–	–	–	–	–
9,685	10,027	342	30,764	31,504	740	380	380	–	89	89	–
10,093	7,601	2,492	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	28,519	27,314	1,205	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
10,093	7,601	2,492	28,519	27,314	1,205	–	–	–	–	–	–
(408)	2,426	2,834	2,245	4,190	1,945	380	380	–	89	89	–
471	471	–	–	–	–	–	–	–	–	–	–
(62)	(62)	–	(2,930)	(2,930)	–	–	–	–	–	–	–
409	409	–	(2,930)	(2,930)	–	–	–	–	–	–	–
1	2,835	2,834	(685)	1,260	1,945	380	380	–	89	89	–
(1)	–	1	685	–	(685)	(380)	–	380	(89)	–	89
–	5,233	5,233	–	14,636	14,636	–	–	–	–	–	–
–	8,068	8,068	–	15,896	15,896	–	380	380	–	89	89

Capital Projects Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2014

(in thousands of dollars)

	2005 Sales Tax			2009 Sales Tax		
	Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
REVENUES:						
Sales tax proceeds	$ –	–	–	34,176	32,748	(1,428)
Intergovernmental	3,241	3,120	(121)	40,834	23,704	(17,130)
Charges for services	–	–	–	–	–	–
Fines and forfeitures	–	–	–		–	–
Investment earnings	24	24	–	1,357	2,607	1,250
Miscellaneous	61	–	(61)	59	58	(1)
Total revenues	3,326	3,144	(182)	76,426	59,117	(17,309)
EXPENDITURES:						
Capital outlay	12,760	12,760	–	67,841	67,840	1
Intergovernmental	–	–	–	5,114	5,114	–
Total expenditures	12,760	12,760	–	72,955	72,954	1
Revenues in excess of (less than) expenditures	(9,434)	(9,616)	(182)	3,471	(13,837)	(17,308)
OTHER FINANCING SOURCES:						
Transfers in	–	–	–	–	–	–
Transfers out	–	–	–	–	–	–
Other financing sources, net	–	–	–	–	–	–
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(9,434)	(9,616)	(182)	3,471	(13,837)	(17,308)
Fund balance allocation	9,434	–	(9,434)	(3,471)	–	3,471
Fund balances – January 1	–	22,509	22,509	–	318,399	318,399
Fund balances – December 31	$ –	12,893	12,893	–	304,562	304,562

Budget and Actual (Budget Basis)

2014 Sales Tax			Other Capital Projects		
Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
100,840	109,732	8,892	–	–	–
6,092	4,477	(1,615)	755	556	(199)
–	–	–	–	–	–
–	–	–	112	184	72
42	111	69	99	187	88
–	14	14	888	1,267	379
106,974	114,334	7,360	1,854	2,194	340
5,024	5,024	–	16,310	16,310	–
23,153	23,153	–	–	–	–
28,177	28,177	–	16,310	16,310	–
78,797	86,157	7,360	(14,456)	(14,116)	340
–	–	–	65,751	65,273	(478)
–	–	–	–	–	–
–	–	–	65,751	65,273	(478)
78,797	86,157	7,360	51,295	51,157	(138)
(78,797)	–	78,797	(51,295)	–	51,295
–	–	–	–	88,030	88,030
–	86,157	86,157	–	139,187	139,187

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Budget Basis)

Year Ended December 31, 2014
(in thousands of dollars)

		Debt Service Fund		
		Budget	Actual	Variance-positive (negative)
REVENUES:				
Taxes	$	6,603	6,732	129
Intergovernmental		19	36	17
Investment earnings		–	1	1
Total revenues		6,622	6,769	147
EXPENDITURES:				
Debt service		4,177	4,175	2
Total expenditures		4,177	4,175	2
Revenues in excess of (less than) expenditures		2,445	2,594	149
Fund balance allocation		(2,445)	–	2,445
Fund balances – January 1		–	10,358	10,358
Fund balances – December 31	$	–	12,952	12,952

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

Year Ended December 31, 2014
(in thousands of dollars)

	Grant Fund		
	Budget	Actual (non-GAAP budget basis)	Variance-positive (negative)
REVENUES:			
Intergovernmental revenues	$ 30,497	19,610	(10,887)
Local revenues	323	2,801	2,478
Total revenues	30,820	22,411	(8,409)
EXPENDITURES:			
Program expenditures	30,820	23,692	7,128
Revenues in excess of (less than) expenditures	$ –	(1,281)	(1,281)

ENTERPRISE FUNDS



Other Enterprise Funds





Airport Fund
The Airport Fund includes 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, Briscoe Field. Revenues are generally derived from the rental of space and facilities.

Solid Waste Fund
The Solid Waste Fund accounts 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 non-exclusive franchise fees paid by commercial waste haulers and service fees paid by residential homeowners in unincorporated Gwinnett County.

Transit Fund
The Transit Fund accounts for the acquisition, improvement, maintenance, and operations of the Transit System. Revenues are derived from fares, federal and state grants, and local taxes.

Other Enterprise Funds Combining Statement of Net Position

December 31, 2014
(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 2,539	29,505	3,696	35,740
Investments	–	626	294	920
Accounts receivable, net of allowance	96	946	870	1,912
Due from other governments	–	–	132	132
Total current assets	2,635	31,077	4,992	38,704
Noncurrent assets:				
Investments	–	24,773	1,707	26,480
Land and construction in progress	11,499	1,317	1,500	14,316
Other capital assets, net of depreciation	8,731	3,478	14,530	26,739
Total noncurrent assets	20,230	29,568	17,737	67,535
Total assets	22,865	60,645	22,729	106,239
LIABILITIES:				
Current liabilities:				
Accounts payable	24	3,254	2,289	5,567
Payroll payable	11	17	7	35
Accumulated leave benefits – current	15	10	9	34
Due to others	2	–	20	22
Unearned revenue	–	41,446	–	41,446
Total current liabilities	52	44,727	2,325	47,104
Noncurrent liabilities:				
Accumulated leave benefits – noncurrent	12	8	6	26
Total noncurrent liabilities	12	8	6	26
Total liabilities	64	44,735	2,331	47,130
NET POSITION:				
Net investment in capital assets	20,230	4,795	16,030	41,055
Unrestricted	2,571	11,115	4,368	18,054
Total net position	$ 22,801	15,910	20,398	59,109

Other Enterprise Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Year Ended December 31, 2014
(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
OPERATING REVENUES:				
Operating lease and rental income from individual hanger	$ 931	–	–	931
User fees and charges	–	42,060	4,077	46,137
Miscellaneous	10	1	135	146
Total operating revenues	941	42,061	4,212	47,214
OPERATING EXPENSES:				
Depreciation	548	242	2,875	3,665
Transit operations	–	–	14,672	14,672
General and administrative	791	39,697	–	40,488
Total operating expenses	1,339	39,939	17,547	58,825
Operating income (loss)	(398)	2,122	(13,335)	(11,611)
NON–OPERATING REVENUES:				
Intergovernmental	–	–	6,391	6,391
Investment earnings	–	435	22	457
Total non–operating revenues	–	435	6,413	6,848
Income (loss) before transfers and contributions	(398)	2,557	(6,922)	(4,763)
Capital contributions	230	–	362	592
Transfers in	–	–	3,995	3,995
Transfers out	(1)	–	–	(1)
Change in net position	(169)	2,557	(2,565)	(177)
Net position – January 1	22,970	13,353	22,963	59,286
Net position – December 31	$ 22,801	15,910	20,398	59,109

Other Enterprise Funds Combining Statement of Cash Flows

Year Ended December 31, 2014
(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 893	42,803	5,730	49,426
Cash payments to suppliers for goods and services	(614)	(39,283)	(13,441)	(53,338)
Cash payments to employees for services	(356)	(507)	(255)	(1,118)
Net cash flows provided/(required) by operating activities	(77)	3,013	(7,966)	(5,030)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants	–	–	7,104	7,104
Transfers from other funds	(1)	–	3,995	3,994
Net cash provided/(required) by noncapital activities	(1)	–	11,099	11,098
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	1,434	–	362	1,796
Acquisition and construction of capital assets	(592)	(98)	(624)	(1,314)
Net cash provided/(required) by capital and related financing activities	842	(98)	(262)	482
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from the sale of investments	–	13,540	6,298	19,838
Purchase of investments	–	(20,300)	(6,524)	(26,824)
Investment earnings	–	243	22	265
Net cash (required) by investing activities	–	(6,517)	(204)	(6,721)
Net (decrease) in cash and cash equivalents	764	(3,602)	2,667	(171)
Cash and cash equivalents at beginning of year	1,775	33,107	1,029	35,911
Cash and cash equivalents at end of year	$ 2,539	29,505	3,696	35,740
Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:				
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	$ (398)	2,122	(13,335)	(11,611)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:				
Depreciation	548	242	2,875	3,665
CHANGE IN ASSETS AND LIABILITIES:				
(Increase) decrease in receivables	(48)	(245)	1,518	1,225
Increase (decrease) in payables	(181)	(99)	1,071	791
Increase in unearned revenue	–	987	–	987
Increase (decrease) in other liabilities	2	6	(95)	(87)
Net cash provided/(required) by operating activities	$ (77)	3,013	(7,966)	(5,030)

DID YOU KNOW...

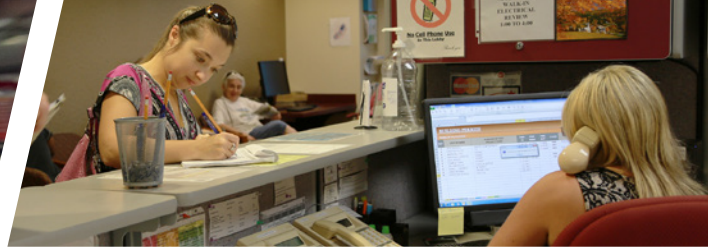
in 2014, Gwinnett County made **improvements** to the **mobile website** for on-the-go residents to use with tablets and smartphones?

INTERNAL SERVICE FUNDS



Internal Service Funds





Group Self-Insurance Fund
The Group Self-Insurance Fund accounts for all financial transactions related to the payment of premiums and benefits for active employees' health, disability, and life insurance. Revenues are received from employee and employer contributions.

Risk Management Fund
The Risk Management Fund accounts for all financial transactions related to the County's payment of workers' compensation claims and property liability and casualty insurance. Revenues are received from charges to the user departments based on the number of employees, prior claims, and property liability coverage needs.

Fleet Management Fund
The Fleet Management Fund accounts for all financial transactions related to the maintenance of the County fleet. Revenues are derived from charges to the user departments for fuel, maintenance, repair, and insurance, plus a fixed flat rate surcharge per vehicle per month.

Auto Liability Fund
The Auto Liability Fund accounts for all financial transactions related to the County's property, liability and casualty insurance coverage on vehicles. Revenues are contributions from other Gwinnett County funds and are based on the number of employees and actual third party automobile claims for county vehicles only.

Administrative Support Fund
The Administrative Support Fund accounts for the activities of all central support departments: Information Technology Services; Support Services; Human Resources; Law; Financial Services, with the exception of the Tax Assessor; and County Administration, with the exception of the County Clerk and Board of Commissioners. These activities are funded by indirect cost charges to all other funds receiving benefits.

Internal Service Funds Combining Statement of Net Position

December 31, 2014
(in thousands of dollars)

	Group Self-Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
ASSETS:						
Current assets:						
Cash and cash equivalents	$ 16,710	6,918	1,615	590	10,189	36,022
Investments	846	1,878	–	191	423	3,338
Accounts receivable, net of allowance	71	325	914	5	58	1,373
Inventories	–	–	460	–	–	460
Prepaid assets	42	419	–	–	3,124	3,585
Total current assets	17,669	9,540	2,989	786	13,794	44,778
Noncurrent assets:						
Investments	19,134	20,352	–	1,661	5,981	47,128
Construction in progress	–	–	–	–	23	23
Other capital assets, net of depreciation	–	–	21	–	524	545
Total noncurrent assets	19,134	20,352	21	1,661	6,528	47,696
Total assets	36,803	29,892	3,010	2,447	20,322	92,474
LIABILITIES:						
Current liabilities:						
Accounts payable	909	149	490	15	1,750	3,313
Payroll payable	12	9	83	–	829	933
Accumulated leave benefits – current	14	20	106	–	1,175	1,315
Estimated claims payable – current	803	1,825	–	87	–	2,715
Due to others	–	–	–	–	13	13
Unearned revenue	10	–	–	–	–	10
Total current liabilities	1,748	2,003	679	102	3,767	8,299
Accumulated leave benefits – noncurrent	10	27	65	–	907	1,009
Estimated claims payable – noncurrent	–	4,877	–	271	–	5,148
Total liabilities	1,758	6,907	744	373	4,674	14,456
NET POSITION:						
Net investment in capital assets	–	–	21	–	547	568
Unrestricted	35,045	22,985	2,245	2,074	15,101	77,450
Total net position	$ 35,045	22,985	2,266	2,074	15,648	78,018

Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Year Ended December 31, 2014
(in thousands of dollars)

	Group Self-Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
OPERATING REVENUES:						
Charges to other funds	$ 42,898	7,513	5,619	1,000	46,206	103,236
Employee contributions	5,251	–	–	–	–	5,251
Miscellaneous	514	266	272	–	1,557	2,609
Total operating revenues	48,663	7,779	5,891	1,000	47,763	111,096
OPERATING EXPENSES:						
Vehicle maintenance and repair	–	–	3,616	–	–	3,616
Benefit claims	13,969	1,615	–	1,158	–	16,742
Insurance premiums	26,245	2,741	–	–	–	28,986
Depreciation and amortization	–	–	6	–	105	111
General and administrative	3,944	15,002	1,795	42	44,966	65,749
Total operating expenses	44,158	19,358	5,417	1,200	45,071	115,204
Operating income (loss)	4,505	(11,579)	474	(200)	2,692	(4,108)
NON-OPERATING REVENUES:						
Investment earnings	256	353	–	12	31	652
Total non-operating revenues	256	353	–	12	31	652
Income (loss) before transfers	4,761	(11,226)	474	(188)	2,723	(3,456)
Transfers out	(1,025)	–	(62)	–	(74)	(1,161)
Change in net position	3,736	(11,226)	412	(188)	2,649	(4,617)
Net position – January 1	31,309	34,211	1,854	2,262	12,999	82,635
Net position – December 31	$ 35,045	22,985	2,266	2,074	15,648	78,018

Internal Service Funds Combining Statement of Cash Flows

Year Ended December 31, 2014
(in thousands of dollars)

	Group Self-Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	$ 48,676	7,754	6,062	995	47,712	111,199
Cash payments to suppliers for goods and services	(3,459)	(1,973)	(3,427)	(29)	(16,197)	(25,085)
Cash payments to employees for services	(278)	(13,331)	(2,537)	–	(26,782)	(42,928)
Claims and premiums paid	(40,652)	(5,612)	–	(1,033)	–	(47,297)
Net cash flows provided/(required) by operating activities	4,287	(13,162)	98	(67)	4,733	(4,111)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers (to) other funds	(1,025)	–	(62)	–	(74)	(1,161)
Net cash (required) by noncapital activities	(1,025)	–	(62)	–	(74)	(1,161)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets	–	–	–	–	(116)	(116)
Net cash (required) by capital and related financing activities	–	–	–	–	(116)	(116)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from the sale of investments	9,012	15,906	–	2,000	4,002	30,920
Purchase of investments	(17,099)	(17,039)	–	(3,848)	(10,406)	(48,392)
Investment earnings	256	353	–	12	31	652
Net cash (required) by investing activities	(7,831)	(780)	–	(1,836)	(6,373)	(16,820)
Net increase/(decrease) in cash and cash equivalents	(4,569)	(13,942)	36	(1,903)	(1,830)	(22,208)
Cash and cash equivalents at beginning of year	21,279	20,860	1,579	2,493	12,019	58,230
Cash and cash equivalents at end of year	$ 16,710	6,918	1,615	590	10,189	36,022
Reconciliation of operating income (loss) to net cash provided by operating activities:						
CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating income (loss)	$ 4,505	(11,579)	474	(200)	2,692	(4,108)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:						
Depreciation	–	–	6	–	105	111
CHANGE IN ASSETS AND LIABILITIES:						
(Increase) decrease in receivables	3	(25)	171	(5)	(51)	93
Decrease in inventories	–	–	220	–	–	220
(Increase) decrease in prepaids	(42)	(419)	–	–	905	444
Increase (decrease) in payables	248	109	(789)	13	751	332
Increase (decrease) in other liabilities	(427)	(1,248)	16	125	331	(1,203)
Net cash provided/(required) by operating activities	$ 4,287	(13,162)	98	(67)	4,733	(4,111)

DID YOU KNOW...

in 2014, **volunteers** across all Gwinnett County government sectors contributed **1,054,467 hours** valued at **$23.8 million in labor**?

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 and motor vehicle tag and title fees, 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 an inmate's behalf, which are disbursed to other parties on behalf of the inmate.



Pension (and Other Employee Benefit) Trust Funds Combining Statement of Fiduciary Net Position

December 31, 2014
(in thousands of dollars)

	Defined Benefit	OPEB	Total
ASSETS:			
Cash and cash equivalents	$ 36,357	3,469	39,826
Investments, at fair value:			
U.S. treasury bonds	46,315	5,896	52,211
Asset-backed securities	20,673	2,632	23,305
U.S. governmental agencies	59,606	7,588	67,194
Commercial mortgage-backed securities	10,556	1,344	11,900
Futures contracts	(27)	(4)	(31)
Corporate bonds	76,340	9,719	86,059
Collateralized mortgage obligations	1,278	163	1,441
Corporate equities	435,357	55,426	490,783
Non-U.S. government bonds	1,512	192	1,704
International equities	131,764	16,775	148,539
Mutual funds invested in equities	53,480	6,809	60,289
Preferred stock	651	83	734
Global fixed income	42,867	5,458	48,325
Taxable municipal bonds	601	76	677
Total investments	880,973	112,157	993,130
Securities lending collateral investment pool	69,018	8,784	77,802
Contributions receivable from employer	–	434	434
Prepaid assets	4,803	–	4,803
Total assets	991,151	124,844	1,115,995
LIABILITIES:			
Accounts payable	962	1,838	2,800
Liability for securities lending agreement	69,018	8,784	77,802
Total liabilities	69,980	10,622	80,602
Net position – restricted for pension and other employee benefits	$ 921,171	114,222	1,035,393

Pension (and Other Employee Benefit) Trust Funds Combining Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2014
(in thousands of dollars)

	Defined Benefit	OPEB	Total
ADDITIONS:			
Contributions:			
Employer	$ 48,713	9,976	58,689
Employee	7,264	4,479	11,743
Total contributions	55,977	14,455	70,432
Investment income:			
Net increase in the fair value of investments	41,186	5,412	46,598
Securities lending income	174	22	196
Interest and dividends	20,822	2,703	23,525
Total investment income	62,182	8,137	70,319
Investment expense	(3,957)	(410)	(4,367)
Securities lending expense	(13)	(2)	(15)
Net investment income	58,212	7,725	65,937
Total additions	114,189	22,180	136,369
DEDUCTIONS:			
Benefits paid	54,595	7,339	61,934
Insurance premiums	–	6,220	6,220
Administrative expenses	878	618	1,496
Total deductions	55,473	14,177	69,650
Net increase in fiduciary net position	58,716	8,003	66,719
Net position – restricted for pension and other employee benefits			
Beginning of year	862,455	106,219	968,674
End of year	$ 921,171	114,222	1,035,393

Agency Funds Combining Statement of Fiduciary Assets and Liabilities

December 31, 2014
(in thousands of dollars)

	Tax Commissioner	Clerk of Courts	Recorder's Court	Sheriff	Probate Court	Juvenile Court	Corrections	Total
ASSETS:								
Cash and cash equivalents	$ 16,297	16,497	1,074	1,191	279	2	18	35,358
Taxes receivable	19,032	–	–	–	–	–	–	19,032
Total assets	$ 35,329	16,497	1,074	1,191	279	2	18	54,390
LIABILITIES:								
Due to others	$ 35,329	16,497	1,074	1,191	279	2	18	54,390
Total liabilities	$ 35,329	16,497	1,074	1,191	279	2	18	54,390

Agency Funds Combining Statement of Changes in Fiduciary Assets and Liabilities

Year Ended December 31, 2014
(in thousands of dollars)

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
TAX COMMISSIONER:				
Cash and cash equivalents	$ 15,338	689,987	689,028	16,297
Taxes receivable	16,472	777,211	774,651	19,032
Total	$ 31,810	1,467,198	1,463,679	35,329
Due to others	$ 31,810	1,467,198	1,463,679	35,329
CLERK OF COURTS:				
Cash and cash equivalents	$ 16,528	63,798	63,829	16,497
Due to others	$ 16,528	63,798	63,829	16,497
RECORDER'S COURT:				
Cash and cash equivalents	$ 1,131	4,674	4,731	1,074
Due to others	$ 1,131	4,674	4,731	1,074
SHERIFF:				
Cash and cash equivalents	$ 1,006	12,185	12,000	1,191
Due to others	$ 1,006	12,185	12,000	1,191
PROBATE COURT:				
Cash and cash equivalents	$ 275	597	593	279
Due to others	$ 275	597	593	279
JUVENILE COURT:				
Cash and cash equivalents	$ 2	44	44	2
Due to others	$ 2	44	44	2
CORRECTIONS:				
Cash and cash equivalents	$ 25	268	275	18
Due to others	$ 25	268	275	18
TOTAL:				
Cash and cash equivalents	$ 34,305	771,553	770,500	35,358
Taxes receivable	16,472	777,211	774,651	19,032
Total	$ 50,777	1,548,764	1,545,151	54,390
Due to others	$ 50,777	1,548,764	1,545,151	54,390

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.

Index

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.

DID YOU KNOW...

combined, **Fire and Police** won
13 Public Safety Valor Awards,
including a Purple Heart,
from the Gwinnett Chamber of Commerce in 2014?





Net Position By Components – Last Ten Fiscal Years (in thousands of dollars) (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
Governmental activities										
Net investment in capital assets	$ 1,398,909	1,580,183	1,822,598	1,989,757	2,141,050	2,220,825	2,277,439	2,320,301	2,348,661	2,353,452
Restricted	721,891	666,243	357,674	306,184	272,928	283,828	365,299	398,100	526,551	617,049
Unrestricted	225,746	238,235	470,710	451,245	489,312	522,661	491,493	510,907	478,218	536,684
Total governmental activities net position	2,346,546	2,484,661	2,650,982	2,747,186	2,903,290	3,027,314	3,134,231	3,229,308	3,353,430	3,507,185
Business-type activities										
Net investment in capital assets	2,155,024	2,257,189	2,517,483	2,574,614	2,594,387	2,591,610	2,592,634	2,614,293	2,664,664	2,718,527
Restricted	26,364	25,083	25,199	27,388	33,268	37,072	38,926	25,392	24,375	25,201
Unrestricted	154,556	202,403	60,611	57,866	80,364	137,219	190,964	235,397	221,920	261,024
Total business-type activities net position	2,335,944	2,484,675	2,603,293	2,659,868	2,708,019	2,765,901	2,822,524	2,875,082	2,910,959	3,004,752
Primary government										
Net investment in capital assets	3,553,933	3,837,372	4,340,081	4,564,371	4,735,437	4,812,435	4,870,073	4,934,594	5,013,325	5,071,979
Restricted	748,255	691,326	382,873	333,572	306,196	320,900	404,225	423,492	550,926	642,250
Unrestricted	380,302	440,638	531,321	509,111	569,676	659,880	682,457	746,304	700,138	797,708
Total primary government net position	$ 4,682,490	4,969,336	5,254,275	5,407,054	5,611,309	5,793,215	5,956,755	6,104,390	6,264,389	6,511,937

** 2011 balances have been restated to reflect the cumulative effect of applying GASB Statement 65.*

Changes in Net Position – Last Ten Fiscal Years (in thousands of dollars) (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	$ 65,846	72,728	74,921	77,529	77,808	96,653	97,991	57,690	47,960	39,653
Public safety	142,928	154,775	173,779	184,060	188,851	188,823	193,625	216,808	199,549	212,405
Judiciary	89,671	105,891	113,633	122,028	123,555	113,089	114,896	129,590	124,612	137,599
Public works	74,006	106,270	82,898	73,339	65,488	55,506	60,013	79,129	77,837	96,491
Health and welfare	7,495	7,408	12,640	12,861	12,336	11,528	11,762	7,081	7,634	8,649
Culture and recreation	44,069	54,967	57,032	68,260	67,369	69,493	69,252	67,090	68,905	63,578
Housing and development	17,244	15,004	18,247	20,596	20,971	25,374	18,098	18,908	18,851	22,071
Tourism	1,940	2,208	2,214	2,038	1,633	1,760	2,044	2,069	2,358	2,534
Development authority	2,182	2,251	2,580	2,843	4,853	6,675	4,367	4,947	4,881	4,773
Miscellaneous	4,676	–	–	–	–	–	–	–	–	–
Interest on long-term debt	2,397	2,128	4,263	5,983	1,111	2,661	2,659	1,921	442	285
Total governmental activities	452,454	523,630	542,207	569,537	563,975	571,562	574,707	585,233	553,029	588,038
Business-type activities:										
Water and sewer	156,557	172,985	197,612	201,974	200,687	209,840	213,048	236,249	261,693	229,176
Airport	1,716	1,940	2,103	1,912	2,000	1,811	2,359	1,150	2,106	1,382
Solid waste	347	425	489	2,573	1,427	20,910	40,438	39,210	41,847	40,051
Stormwater	22,617	24,728	25,455	29,466	28,268	28,032	31,804	27,126	30,375	38,324
Transit	13,719	12,375	14,184	15,749	15,606	15,533	18,235	18,486	17,912	17,591
Total business-type activities	194,956	212,453	239,843	251,674	247,988	276,126	305,884	322,221	353,933	326,524
Total primary government expenses	$ 647,410	736,083	782,050	821,211	811,963	847,688	880,591	907,454	906,962	914,562
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 33,725	30,991	22,340	14,578	23,795	18,301	25,682	8,751	8,778	9,747
Public safety	18,502	21,158	22,940	35,699	29,147	23,093	25,586	32,902	31,987	33,909
Judiciary	22,912	24,744	27,145	29,111	28,541	31,174	30,193	32,087	31,770	30,489
Public works	5,837	5,974	6,084	5,992	6,196	6,256	6,279	6,387	6,914	6,882
Health and welfare	67	–	–	–	1	137	110	23	9	406
Culture and recreation	3,651	2,895	3,368	3,918	4,505	4,499	4,480	4,547	4,419	4,752
Housing and development	9,091	8,866	6,145	3,922	2,441	8,818	7,928	8,457	8,359	8,682
Operating grants and contributions	13,231	17,039	15,866	12,068	30,052	33,739	18,005	16,074	18,050	16,645
Capital grants and contributions	18,246	17,726	24,611	15,054	13,407	11,182	20,193	32,853	13,716	38,529
Total governmental activities program revenues	125,262	129,393	128,499	120,342	138,085	137,199	138,456	142,081	124,002	150,041

continued...

Changes in Net Position – Last Ten Fiscal Years (in thousands of dollars) (accrual basis of accounting) *continued*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Water and sewer	178,105	185,505	202,960	189,959	208,805	240,966	260,226	271,289	277,234	299,007
Airport	626	628	858	850	832	827	866	903	859	941
Solid waste	–	–	–	1,340	1,113	20,740	41,131	41,929	42,570	42,061
Stormwater	991	8,694	16,045	25,095	30,326	29,973	30,494	30,863	30,887	31,182
Transit	2,551	3,505	3,035	4,337	4,319	4,274	5,011	4,845	4,719	4,212
Operating grants and contributions	–	2,506	4,212	5,270	4,896	5,740	6,605	5,946	6,504	6,391
Capital grants and contributions	191,836	124,225	113,894	68,179	33,811	18,616	17,571	14,209	22,389	29,948
Total business-type activities program revenues	374,109	325,063	341,004	295,030	284,102	321,136	361,904	369,984	385,162	413,742
Total primary government program revenues	$ 499,371	454,456	469,503	415,372	422,187	458,335	500,360	512,065	509,164	563,783
Net (expense)/revenue										
Governmental activities	(327,192)	(394,237)	(413,708)	(449,195)	(425,890)	(434,363)	(436,251)	(443,152)	(429,027)	(437,997)
Business-type activities	179,153	112,610	101,161	43,356	36,114	45,010	56,020	47,763	31,229	87,218
Total primary government net expenses	$ (148,039)	(281,627)	(312,547)	(405,839)	(389,776)	(389,353)	(380,231)	(395,389)	(397,798)	(350,779)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	277,441	304,215	328,612	325,417	403,235	363,744	336,256	324,081	345,499	377,192
Sales taxes	140,972	155,941	152,528	138,756	122,714	128,594	134,752	142,571	138,351	142,480
Other taxes	39,576	40,239	56,215	55,249	51,971	54,363	64,284	64,063	62,822	64,636
Investment income	24,561	41,055	42,626	24,418	6,571	6,485	1,998	1,246	216	3,414
Miscellaneous	3,735	6,077	5,386	7,516	4,361	10,093	11,588	10,260	10,536	9,192
Transfers	(19,855)	(15,175)	(5,338)	(5,957)	(6,858)	(4,892)	(5,161)	(3,992)	(4,275)	(5,162)
Total governmental activities	466,430	532,352	580,029	545,399	581,994	558,387	543,717	538,229	553,149	591,752
Business-type activities:										
Investment income	5,694	13,642	7,426	2,466	189	346	1,044	803	373	1,413
Miscellaneous	2,585	7,304	4,693	684	4,990	7,634	–	–	–	–
Extraordinary item	–	–	–	4,112	–	–	–	–	–	–
Transfers	19,855	15,175	5,338	5,957	6,858	4,892	5,161	3,992	4,275	5,162
Total business-type activities	28,134	36,121	17,457	13,219	12,037	12,872	6,205	4,795	4,648	6,575
Total primary government	$ 494,564	568,473	597,486	558,618	594,031	571,259	549,922	543,024	557,797	598,327
Changes in net position										
Governmental activities	139,238	138,115	166,321	96,204	156,104	124,024	107,466	95,077	124,122	153,755
Business-type activities	207,287	148,731	118,618	56,575	48,151	57,882	62,225	52,558	35,877	93,793
Total primary government	$ 346,525	286,846	284,939	152,779	204,255	181,906	169,691	147,635	159,999	247,548

Fund Balances, Governmental Funds – Last Ten Fiscal Years (in thousands of dollars) (modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010
General fund						
Reserved	$ 2,801	3,915	3,848	4,614	3,451	5,695
Unreserved	130,340	144,441	148,220	109,382	114,719	142,258
Total general fund	133,141	148,356	152,068	113,996	118,170	147,953
All other governmental funds						
Reserved	15,311	15,971	21,376	9,487	11,311	5,086
Unreserved, reported in:						
Special revenue funds	60,145	67,022	63,300	54,272	56,338	67,502
Capital project funds	576,961	502,020	397,465	365,607	293,259	307,259
Debt service funds	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	661,527	594,563	498,535	459,076	385,995	414,047
Total	$ 794,668	742,919	650,603	573,072	504,165	562,000

	2011*	2012	2013**	2014
General fund				
Nonspendable	$ 7,204	2,232	1,499	4,656
Assigned	–	42,636	743	–
Unassigned	164,650	129,503	133,687	138,877
Total general fund	171,854	174,371	135,929	143,533
All other governmental funds				
Nonspendable	217	298	268	1,114
Restricted	362,990	396,810	493,340	582,588
Committed	60	62	114	182
Assigned	75,493	78,719	87,515	138,978
Total all other governmental funds	438,760	475,889	581,237	722,862
Total	$ 610,614	650,260	717,166	866,395

* *Fund Balance reporting changed in 2011 per GASB 54.*

** *In fiscal year 2013, a total of $64 million was transferred from the General Fund to the new Service District Funds to establish fund balance reserves in accordance with County policy and to distribute motor vehicle and supplemental title ad valorem taxes, per state law.*

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years (in thousands of dollars) (modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	$ 442,762	504,733	534,320	512,595	515,608	601,982	537,267	539,344	551,441	583,631
Permits and licenses	22,590	23,990	11,072	8,611	6,626	8,266	7,465	8,009	7,895	8,027
Intergovernmental	17,619	20,289	18,981	18,197	41,715	42,662	27,331	45,727	32,955	50,592
Charges for services	55,775	57,112	62,909	75,691	71,319	63,013	75,514	67,125	67,672	67,816
Fines and forfeitures	12,345	13,526	14,049	14,843	16,731	21,053	15,433	16,009	17,082	18,056
Investment income, earnings (losses)	22,716	38,354	40,214	22,401	6,216	6,072	4,936	3,348	(933)	7,603
Miscellaneous	6,261	7,022	7,759	9,764	7,190	12,007	12,450	10,189	10,536	9,204
Total revenues	580,068	665,026	689,304	662,102	665,405	755,055	680,396	689,751	686,648	744,929
Expenditures:										
General government	58,117	58,879	74,823	72,316	65,329	93,475	87,267	36,577	39,240	27,133
Public safety	138,885	145,864	160,829	171,716	179,492	176,088	175,397	196,917	187,750	189,916
Judiciary	92,058	105,055	110,023	117,798	121,894	120,098	116,534	129,630	127,275	131,424
Public works	20,056	21,988	22,866	22,958	21,489	19,360	20,007	21,256	20,926	20,763
Health and welfare	7,560	7,589	12,566	12,814	12,561	12,473	11,749	6,787	6,662	6,854
Culture and recreation	38,591	42,416	42,615	47,048	47,646	54,477	44,230	43,015	41,736	43,238
Housing and development	11,907	11,426	13,095	13,650	10,062	8,332	7,890	8,703	8,638	8,814
Miscellaneous	551	799	–	–	–	–	–	–	–	–
Tourism	1,940	2,208	2,214	2,038	1,633	1,760	2,044	2,069	2,358	2,534
Development authority	2,182	3,656	4,045	4,763	7,465	8,905	6,057	7,097	7,096	7,618
Grant programs	6,620	5,622	6,042	8,217	12,881	22,953	14,961	12,919	13,358	15,977
Capital outlay	219,291	282,219	311,565	283,161	223,577	138,448	130,741	141,153	112,100	103,276
Debt service:										
Principal	9,565	9,845	12,251	12,730	13,255	13,847	11,870	3,380	23,830	3,410
Interest	4,203	3,946	4,079	3,582	3,078	2,608	2,102	1,845	1,041	765
Issuance cost	–	–	–	–	–	–	–	253	–	–
Intergovernmental	–	–	–	–	19,816	19,313	22,041	35,895	24,569	31,310
Total expenditures	611,526	701,512	777,013	772,791	740,178	692,137	652,890	647,496	616,579	593,032
Excess (deficiency) of revenues over expenditures	(31,458)	(36,486)	(87,709)	(110,689)	(74,773)	62,918	27,506	42,255	70,069	151,897
Other financing sources/(uses):										
Transfers in	31,040	18,399	20,922	85,606	9,962	34,495	53,766	27,873	91,917	72,364
Transfers out	(50,895)	(33,662)	(25,529)	(89,333)	(12,813)	(39,578)	(32,658)	(30,781)	(95,080)	(75,032)
Proceeds from capital lease obligations	–	–	–	36,885	8,717	–	–	–	–	–
Refunding bonds issues	–	–	–	–	–	–	–	25,117	–	–
Payment to refunded bond escrow agent	–	–	–	–	–	–	–	(24,818)	–	–
Total other financing sources/(uses)	(19,855)	(15,263)	(4,607)	33,158	5,866	(5,083)	21,108	(2,609)	(3,163)	(2,668)
Net change in fund balances	$ (51,313)	(51,749)	(92,316)	(77,531)	(68,907)	57,835	48,614	39,646	66,906	149,229
Debt service as a percentage of noncapital expenditures	3.6%	3.3%	3.5%	3.4%	3.4%	3.0%	2.7%	1.1%	5.0%	0.9%

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*					
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%
2012	14,858,737,855	6,546,141,287	225,585,016	2,024,864,660	3,983,958,784	3,767,877,476	23,871,410,126	13.02	59,678,525,315	40%
2013	14,215,494,500	6,457,814,268	151,416,160	2,200,695,020	4,107,670,330	3,512,324,663	23,620,765,615	13.75	59,051,914,038	40%
2014	16,530,395,594	6,737,358,484	142,032,680	1,922,687,330	4,158,438,790	3,949,354,590	25,541,558,288	13.75	63,853,895,720	40%

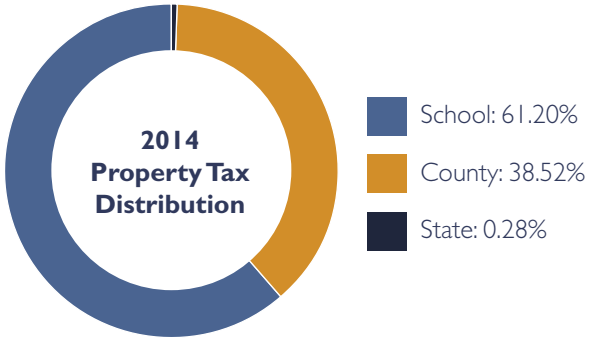
Source: General Fund information from Gwinnett County Budget Division and Gwinnett County Tax Commissioner

** Includes mobile homes*

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund	10.14	10.00	9.81	9.72	11.78	11.78	11.78	11.78	7.40	7.40
Fire and EMS District	–	–	–	–	–	–	–	–	3.20	3.20
Police Services District	–	–	–	–	–	–	–	–	1.60	1.60
Development and Enforcement District	–	–	–	–	–	–	–	–	0.36	0.36
Fire Protection	–	–	–	–	–	–	–	–	–	–
Recreation District	0.84	0.82	0.80	0.79	1.00	1.00	1.00	1.00	0.95	0.95
G.O. Bond Fund	0.24	0.23	0.23	0.22	0.23	0.23	–	–	–	–
G.O. Bond Fund II	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Total County Tax	11.47	11.30	11.08	10.97	13.25	13.25	13.02	13.02	13.75	13.75
School M & O	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.80
School Bonds	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	2.05
Total School Tax	20.55	20.55	20.55	20.55	20.55	20.55	20.55	20.55	20.55	21.85
State Government	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10
Total Property Tax	32.27	32.10	31.88	31.77	34.05	34.05	33.82	33.77	34.45	35.70

Source: Budget Division – Tax Levy Resolution



Principal Property Tax Payers – Current Year and Nine Years Ago

	2014			2005		
Taxpayer	Taxable Assessed Value[1]	Rank	Percentage of Total Taxable Assessed Value[2]	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Power	$ 128,326,080	1	0.50%	$ 90,951,588	3	0.39%
AT&T	123,065,860	2	0.48%	133,475,972	1	0.58%
Publix	111,962,730	3	0.44%	97,029,690	2	0.42%
Wal-Mart	99,086,860	4	0.39%	68,863,080	6	0.30%
Mall of Georgia LLC	92,037,440	5	0.36%	68,079,124	5	0.29%
Cisco, formerly Scientific Atlanta Inc.	76,969,020	6	0.30%	73,504,360	4	0.32%
Jackson EMC	69,270,880	7	0.27%	66,324,440	7	0.29%
Amerisourcebergen Drug Corp.	47,582,280	8	0.19%	–	–	–
Atlanta Gas Light	43,477,080	9	0.17%	40,518,742	9	0.18%
Hewlett-Packard	42,466,100	10	0.17%	–	–	–
Sugarloaf Mills LTD Partnership	–	–	–	52,525,080	8	0.23%
Home Depot	–	–	–	33,252,220	10	0.14%

Sources: 1) Tax Assessor's Office.
2) The final tax digest dated 02/18/2015, which is the state certified digest updated with additional adjustments made during the year.

Property Tax Levies and Collections – Last Ten Fiscal Years

Fiscal Year Ended Dec. 31,	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	$ 686,408,807	$ 632,855,849	91.3%	$ 53,450,309	$ 686,306,158	100.0%
2006	754,014,974	712,381,318	91.7%	41,416,109	753,797,427	100.0%
2007	826,729,436	781,880,719	93.7%	44,576,615	826,457,334	100.0%
2008	876,173,777	819,605,181	92.7%	56,285,574	875,890,755	100.0%
2009	952,146,122	829,546,868	92.7%	121,985,479	951,532,346	99.9%
2010	866,700,041	810,612,693	93.2%	55,192,139	865,804,832	99.9%
2011	795,531,885	755,883,258	95.1%	38,257,962	794,141,220	99.8%
2012	750,310,316	722,927,859	96.4%	25,444,256	748,372,115	99.7%
2013	761,859,866	741,172,382	97.7%	16,828,476	758,000,858	99.5%
2014	839,292,771	818,211,594	97.5%	–	818,211,594	97.5%

** Reflects original digest net of all digest corrections to date.*

Includes all rolls, tax only
No Street Lights, Speed Humps, Stormwater or Solid Waste
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)

Fiscal Year Ended Dec. 31,	Population[1]	Governmental Activities – Gwinnett County General Obligation Debt: Gross General Obligation Bonds[2]	Percentage of Assessed Property Value[3]	Per Capita	Revenue Bonds[2]	Lease Payable[2]
2005	710,978	127,110	0.55%	178.78	10,915	65,000
2006	740,267	115,511	0.46%	156.04	8,990	63,595
2007	764,129	103,393	0.37%	135.31	6,945	62,130
2008	780,721	90,760	0.31%	116.25	4,775	97,095
2009	796,276	77,565	0.27%	97.41	2,465	103,200
2010	808,304	63,734	0.24%	78.85	–	96,420
2011	825,094	51,827	0.21%	62.81	–	94,730
2012[5]	840,575	48,925	0.20%	58.20	–	92,580
2013	859,304	24,362	0.10%	28.35	–	90,365
2014	880,787	20,370	0.08%	23.13	–	87,520

Fiscal Year Ended Dec. 31,	Business-Type Activities: Water & Sewer Bonds[2]	Notes Payable[2]	Lease Payable[2]	Total Primary Government	Percentage of Personal Income[4]	Per Capita
2005	832,989	2,235	–	1,038,249	4.43%	1,460.31
2006	807,889	1,790	–	997,775	3.95%	1,347.86
2007	782,433	10,174	–	965,075	3.67%	1,262.97
2008	951,851	29,194	1,317	1,174,992	4.45%	1,505.01
2009	1,078,073	57,549	822	1,319,674	5.18%	1,657.31
2010	1,038,224	56,548	–	1,254,926	4.88%	1,552.54
2011	1,014,337	55,103	–	1,215,997	4.40%	1,473.77
2012[5]	961,500	52,750	–	1,155,755	4.06%	1,374.96
2013	899,277	50,347	–	1,064,351	3.64%	1,238.62
2014	835,777	47,872	–	991,539	Not yet available	1,125.74

Sources:

1) U.S. Census Bureau midyear population estimates. Estimates for 2010 – 2013 reflect county population estimates available as of March 2014. 2014 population estimate from Gwinnett County Financial Services/Planning and Development.
2) Debt information from CAFR Financial Statements and ***Note 8*** to the Financial Statements.
3) Total taxable assessed value used in this calculation obtained from the Gwinnett County Tax Commissioner.
4) Personal income data from the U.S. Bureau of Economic Analysis.
5) GASB 63 and 65 were implemented in 2012; therefore deferred losses on refundings are no longer included.

Note: Population and income data last updated November 20, 2014 – new estimates for 2013; revised estimates for 2005 – 2012.

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

	Fiscal Year Ended December 31,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 2,314,243	$ 2,517,284	$ 2,757,514	$ 2,935,313	$ 2,900,097	$ 2,664,736	$ 2,498,644	$ 2,387,141	$ 2,362,077	$ 2,554,156
Total net debt applicable to limit	95,397	84,902	73,692	62,272	50,893	29,485	24,102	17,493	12,197	6,193
Legal debt margin	2,218,846	2,432,382	2,683,822	2,873,041	2,849,204	2,635,251	2,474,542	2,369,648	2,349,880	2,547,963
Total net debt applicable to the limit as a percentage of debt limit	4.1%	3.4%	2.7%	2.2%	1.8%	1.1%	1.0%	0.7%	0.5%	0.2%

Legal debt margin calculation for fiscal year 2014

Assessed value		$ 25,541,558
Debt limit (10%) of assessed value		2,554,156
Debt applicable to limit:		
General obligation bonds	19,145	
Less: amount set aside for repayment of general obligation debt	12,952	
Total net debt applicable to limit		6,193
Legal debt margin		$ 2,547,963

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

Fiscal Year	Operating Revenue	Less: Operating Expenses[1]	Plus: Investment Income and Other[2]	Net Revenue Available	Debt Service			Coverage	Required Coverage
					Principal	Interest	Total		
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
2012	271,875	109,574	556	162,857	47,250	41,398	88,648	1.84	1.2
2013	277,234	111,531	355	166,058	57,035	39,357	96,392	1.72	1.2
2014	299,007	108,637	868	191,238	58,955	37,055	96,010	1.99	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)

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Direct debt:			
General obligation bonds	$ 19,145	100.00%	$ 19,145
Amounts for issuance premiums	1,225	100.00%	1,225
Lease payable	87,520	100.00%	87,520
Total direct debt	107,890		107,890
Overlapping debt:			
Gwinnett County School District:[2]			
General obligation bonds	1,001,340	100.00%	1,001,340
Certificates of participation	204,015	100.00%	204,015
Total Gwinnett County School District	1,205,355		1,205,355
Municipalities within Gwinnett County:[3]			
Auburn:			
Lease payable	76	3.07%	2
Note payable	659	3.07%	20
Total Auburn	735		22
Berkeley Lake:			
General obligation bond	1,322	100.00%	1,322
Braselton:			
Revenue bonds	7,933	40.43%	3,207
Buford:			
General obligation bonds	8,003	92.33%	7,389
City of Peachtree Corners:			
Capital lease	14	100.00%	14
Duluth:			
Capital lease	397	100.00%	397
Loganville:			
Capital leases	166	24.27%	40
Snellville:			
Capital leases	2,971	100.00%	2,971
Revenue bonds	3,496	100.00%	3,496
Total Snellville	6,467		6,467
Suwanee:			
General obligation bonds	14,484	100.00%	14,484
Revenue bonds	5,093	100.00%	5,093
Total Suwanee	19,577		19,577
Total municipalities within Gwinnett County	44,614		38,435
Subtotal, overlapping debt	1,249,969		1,243,790
Total direct and overlapping Debt	$ 1,357,859		$ 1,351,680

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Gwinnett County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

1) Based upon the percentage of the municipality's population within Gwinnett County (Source: U.S. Census Bureau's July 31, 2013 population estimates).
2) Based upon the Gwinnett County Board of Education's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.
3) Based upon individual city's audit information for the fiscal year ended 2013.

Demographic and Economic Statistics – Last Ten Fiscal Years

Year	Population[1]	Personal Income (amounts expressed in thousands)[2]	Per Capita Personal Income	Unemployment Rate[3]
2005	710,978	23,437,930	32,966	4.6%
2006	740,267	25,242,599	34,099	4.2%
2007	764,129	26,279,912	34,392	4.1%
2008	780,721	26,380,482	33,790	5.6%
2009	796,276	25,463,451	31,978	8.9%
2010	808,304	25,700,181	31,795	9.0%
2011	825,094	27,612,259	33,466	8.6%
2012	840,575	28,481,375	33,883	7.9%
2013	859,304	29,269,060	34,061	7.1%
2014	880,787	Not yet available	Not yet available	6.1%

Sources:

1) U.S. Census Bureau midyear population estimates. Estimates for 2010 – 2013 reflect county population estimates available as of March 2014. 2014 population estimate from Gwinnett County Financial Services/Planning and Development.
2) Personal income data from the U.S. Bureau of Economic Analysis. Per capita personal income was calculated based on the U.S. Census Bureau's midyear population estimates. Estimates for 2010 – 2013 reflect county population estimates available as of March 2014.
3) Georgia Department of Labor (unemployment rates not seasonally adjusted).

Note: Personal income and per capital personal income data last updated November 22, 2014 – new estimates for 2013; revised estimates for 2005 – 2012.

Principal Employers – Current Year and Nine Years Ago

	2014			2005		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gwinnett County Public Schools	20,479	1	4.9%	18,226	1	4.8%
Gwinnett County Government*	4,854	2	1.2%	4,586	2	1.2%
Gwinnett Health Care System	3,566	3	0.9%	4,229	3	1.1%
Publix**	3,558	4	0.9%	3,250	5	0.9%
Wal-Mart	2,798**	5	0.7%	4,163	4	1.1%
State of Georgia (includes GGC)	2,694	6	0.6%	2,159	7	0.6%
Kroger**	2,181	7	0.5%	1,981	8	0.5%
U.S. Postal Service	2,024	8	0.5%	2,760	6	0.7%
Primerica	1,587	9	0.4%	1,682	9	0.4%
NCR	1,549	10	0.4%	–	–	–
Cisco, previously Scientific Atlanta	–	–	–	1,624	10	0.4%

Sources: Gwinnett County Department of Financial Services survey of companies, Q1 2015. 2014 employee data for Primerica and NCR derived from business license data. 2005 principal employers obtained from page S-30 of the 2005 Comprehensive Annual Financial Report. Total County Employment from the Georgia Department of Labor Workforce Statistics & Economic Research's Annual (Not Seasonally Adjusted) Labor Force data for 2014 and 2005.

* *Based on total authorized positions as of December 31, 2014 and December 31, 2005.*

** *Full-time equivalent employees.*

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

	Fiscal Year Ended December 31,									
Function	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
General government	571	575	571	569	538	556	538	555	567	571
Public safety:										
Police	927	951	1,013	1,048	1,041	1,066	1,068	1,065	1,065	1,066
Fire	674	713	757	766	784	844	844	844	844	851
Corrections	141	142	142	142	125	139	134	134	134	134
Sheriff	540	621	686	688	701	706	706	706	706	706
Judiciary	400	415	436	452	466	466	482	469	471	478
Transportation	179	179	181	181	156	148	149	145	143	143
Community services	230	241	251	270	229	245	242	242	240	245
Water resources	600	606	619	623	604	577	576	580	579	580
Planning and development	143	143	142	154	70	81	76	72	76	80
Total	**4,405**	**4,586**	**4,798**	**4,893**	**4,714**	**4,828**	**4,815**	**4,812**	**4,825**	**4,854**

Source: Department of Financial Services, Budget Group

Operating Indicators By Function – Last Ten Fiscal Years

Function	Fiscal Year Ended December 31, 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
General calls	373,813	360,690	466,762	532,440	528,813	498,703	451,551	441,408	419,381	405,580
Traffic calls	140,657	149,291	184,076	192,095	211,345	203,910	207,904	205,281	184,644	162,705
Officers/1,000 population	0.86	0.99	1.06	1.07	1.00	1.03	1.00	0.97	0.97	0.93
Fire										
Calls answered	56,377	61,886	64,541	63,655	65,722	62,995	64,450	66,757	66,831	71,084
Inspections	12,355	12,406	10,017	13,835	16,612	11,375	14,063	11,833	13,448	14,004
Transportation										
Street resurfacing (miles)	115	110	85	60	105	90	80	130	135	135
Parks and recreation										
Classes/programs/camps/events	4,803	4,643	5,616	6,259	6,660	6,581	6,047	6,313	6,651	7,030
Number of facility & pavilion rentals	3,801	4,457	6,073	9,268	24,122	14,283	11,298	11,781	10,385	9,543
Number of pool admissions & passes	415,242	400,014	445,000	586,009	570,090	522,322	575,000	541,000	418,310	461,893
Number of senior citizens' one-way passenger trips	32,374	38,232	39,687	39,472	30,456	35,543	32,424	36,173	28,723	38,264
Water										
Plant capacity (mgd)	225	225	225	225	225	225	225	225	225	225
Average daily consumption (mgd)	80.7	87.4	86.9	71.9	71.3	74.7	74.4	71.7	63.9	61.2
Maximum daily pumpage (mgd)	113.3	129.8	126.3	87.9	103.1	99.8	101.4	113.1	80.6	86.3
Water meters installed	8,773	7,290	4,705	1,557	620	977	946	1,417	2,560	2,544
Miles of water mains installed	94	94	81	45	18	6	17	18	25	10
Number of customers	220,856	230,752	234,447	233,675	228,807	227,356	228,223	230,652	229,126	240,630
Sewer										
Average annual daily flow (mgd)	52	51	49	50	53	53	50	49	53	52
Number of customers	135,311	138,284	141,807	146,267	146,276	147,637	148,714	150,951	156,358	159,947
Miles of sewer mains installed	159	111	116	46	23	7	11	5	37	10
Transit										
Total passengers	1,858,670	1,917,854	1,937,832	2,103,565	2,319,495	2,117,106	2,264,769	2,026,533	1,823,384	1,718,098

Source: County operating departments

Capital Asset Statistics By Function – Last Ten Fiscal Years

	Fiscal Year Ended December 31,									
Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police precincts/stations	10	10	12	12	12	11	11	11	11	11
Fire stations	25	26	27	28	28	30	30	30	30	30
Transportation										
Miles County-maintained roads	2,650	2,700	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Street lights maintained	45,000	46,421	47,637	48,161	48,643	48,774	48,539	48,697	48,607	48,865
Traffic signals maintained	610	612	626	643	653	666	675	685	695	701
Parks and recreation										
Acreage total	8,062	8,247	8,602	8,695	8,849	8,988	8,992	8,978	9,282	9,413
Competition and leisure/play pools	11	12	14	17	17	17	17	17	17	17
Sports fields	124	135	139	149	150	150	150	154	170	175
Tennis courts	39	41	43	47	51	51	51	51	51	51
Playgrounds	35	36	42	47	52	52	61	63	67	69
Libraries	12	14	14	14	14	15	15	15	15	15
Library circulation	6,376,188	6,158,664	6,491,745	7,102,215	7,526,750	7,038,931	7,667,758	7,190,798	6,744,005	6,376,268
Water										
Miles of water mains	3,215	3,300	3,346	3,399	3,408	3,411	3,665	3,667	3,692	3,702
Fire hydrants	37,484	38,916	40,038	40,614	40,805	40,877	41,642	41,749	42,258	42,447
Raw water storage (mgd)	45	45	45	45	45	45	45	45	45	45
Sewer										
Miles of sewer mains	2,368	2,480	2,595	2,640	2,663	2,670	2,650	2,654	2,691	2,700
Treatment capacity (mgd)	64.1	71.6	71.6	71.6	67.1	102.6	103.0	100.5	100.5	100.5
Stormwater										
Miles of pipe		810	1,096	1,296	1,307	1,317	1,327	1,292	1,364	1,388
Transit buses	63	67	67	76	85	96	96	98	98	98

Source: County operating departments

DID YOU KNOW...

the **Solid Waste and Recovered Materials Division** won a NACo Achievement Award for the **Multicultural Outreach Recycling Initiative** from the National Association of Counties in 2014?

SINGLE AUDIT SECTION







December 31, 2014

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Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2014

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
U.S. Department of Housing and Urban Development					
Community Development Block Grants Cluster	14.218	CDBG-2011	B-11-UC-13-0004	11/1/10	12/31/15
Community Development Block Grants Cluster	14.218	CDBG-2012	B-12-UC-13-0004	1/1/12	12/31/17
Community Development Block Grants Cluster	14.218	CDBG-2013	B-13-UC-13-0004	1/1/13	12/31/18
Community Development Block Grants Cluster	14.218	CDBG-2014	B-14-UC-13-0004	1/1/14	12/31/19
Community Development Block Grants Cluster	14.218	NSP HUD 2008 REVISED	B-08-UN-13-0005	11/18/08	12/31/15
Community Development Block Grants Cluster	14.218	NSP3 HUD 2011	B-11-UN-13-0005	3/15/11	12/31/15
SUBTOTAL					
Community Development Block Grants/State's Program	14.228	NSP DCA-2008	08-NS-5063	11/18/08	12/31/15
Community Development Block Grants/State's Program	14.228	NSP3 DCA 2011	11-NS-5063	9/28/11	12/31/15
SUBTOTAL					
Emergency Shelter Grant Program	14.231	ES-2010	S-10-UC-13-0011	1/1/10	5/30/14
Emergency Shelter Grant Program	14.231	ES-2011	S-11-UC-13-0011	1/1/11	12/31/14
Emergency Solutions Grant Program	14.231	ES-2012	S-12-UC-13-0011	1/1/12	5/30/14
Emergency Solutions Grant Program	14.231	ES-2013	S-13-UC-13-0011	1/1/13	12/31/15
Emergency Solutions Grant Program	14.231	ES-2014	S-14-UC-13-0011	1/1/14	12/31/16
SUBTOTAL					
HOME Investment Partnerships Program	14.239	HOME-2008	M-08-UC-13-0201	1/1/08	12/31/14
HOME Investment Partnerships Program	14.239	HOME-2011	M-11-UC-13-0201	1/1/11	12/31/16
HOME Investment Partnerships Program	14.239	HOME-2012	M-12-UC-13-0201	1/1/12	12/31/17
HOME Investment Partnerships Program	14.239	HOME-2013	M-13-UC-13-0201	1/1/13	12/31/18
HOME Investment Partnerships Program	14.239	HOME-2014	M-14-UC-13-0201	1/1/14	12/31/19
SUBTOTAL					
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Housing and Urban Development		3,828,221	315,428	177,674				
U.S. Department of Housing and Urban Development		4,322,154	950,045	663,577				60
U.S. Department of Housing and Urban Development		4,888,570	2,221,785	2,421,329			14,374	
U.S. Department of Housing and Urban Development		5,098,532	1,356,301	1,337,239			9,894	10,435
U.S. Department of Housing and Urban Development		10,507,827	178,211	332,972			1,125,556	444,965
U.S. Department of Housing and Urban Development		2,065,581	874,395	804,568			343,959	299,778
			$ 5,896,165	**$ 5,737,359**			**$ 1,493,783**	**$ 755,238**
U.S. Department of Housing and Urban Development	Georgia Department of Community Affairs	3,004,227	102,575	283,165			278,652	94,710
U.S. Department of Housing and Urban Development	Georgia Department of Community Affairs	3,493,895	680,533	680,919			1,350,582	856,810
			$ 783,108	**$ 964,084**			**$ 1,629,234**	**$ 951,520**
U.S. Department of Housing and Urban Development		187,230	2,525	2,525				
U.S. Department of Housing and Urban Development		288,781	8,438	8,438				
U.S. Department of Housing and Urban Development		331,514	46,175	46,176				
U.S. Department of Housing and Urban Development		315,068	206,443	210,985				
U.S. Department of Housing and Urban Development		397,141	193,609	193,609				
			$ 457,190	**$ 461,733**				
U.S. Department of Housing and Urban Development		1,443,535	54,234	77,566				1,200
U.S. Department of Housing and Urban Development		1,390,424	61,148	70,255				
U.S. Department of Housing and Urban Development		1,275,207	814,397	795,544				
U.S. Department of Housing and Urban Development		1,364,350	955,553	937,778				
U.S. Department of Housing and Urban Development		1,505,743	261,193	261,193			50,607	51,607
			$ 2,146,525	**$ 2,142,336**			**$ 50,607**	**$ 52,807**
			$ 9,282,988	**$ 9,305,512**			**$ 3,173,624**	**$ 1,759,565**

continued...

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2014 *(continued)*

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
U.S. Department of Justice					
Juvenile Accountability Block Grants	16.523	CJCC-14/15(JJI)	Y15-8-021 & N10-8-025	7/1/14	6/30/15
SUBTOTAL					
Crime Victim Assistance	16.575	PACGA-13(VOCA)	C13-8-048	10/1/13	1/31/15
Crime Victim Assistance	16.575	PACGA-14(VOCA)	C13-8-102	10/1/14	9/30/15
SUBTOTAL					
State Criminal Alien Assistance Program	16.606	DOJ-11(SCAAP)	2011-AP-BX-0215	12/13/11	12/31/14
State Criminal Alien Assistance Program	16.606	DOJ-12(SCAAP)	2012-AP-BX-0755	12/11/12	6/30/15
State Criminal Alien Assistance Program	16.606	DOJ-13(SCAAP)	2013-AP-BX-0742	10/3/13	12/31/14
State Criminal Alien Assistance Program	16.606	DOJ-14(SCAAP)	2014-AP-BX-0007	12/2/14	12/31/16
SUBTOTAL					
Bulletproof Vest Partnership Program	16.607	DOJ-12(BVP)	2012-BO-BX-12062975	2/5/13	6/11/14
SUBTOTAL					
Equitable Sharing Program	16.922	Police-21090001/DA-32000004	N/A	N/A	N/A
SUBTOTAL					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-11(JAG)	2011-DJ-BX-3406	10/1/10	12/31/14
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-12(JAG)	2012-DJ-BX-1011	10/1/11	9/30/15
SUBTOTAL					
TOTAL U.S. DEPARTMENT OF JUSTICE					
U.S. Department of Labor					
WIA Adult Program	17.258	WIA-2013	WD1417	7/1/13	6/30/15
SUBTOTAL					
TOTAL U.S. DEPARTMENT OF LABOR					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Justice	Criminal Justice Coordinating Council	450,800	84,859	84,859	72,537	72,537		
			$ 84,859	**$ 84,859**	**$ 72,537**	**$ 72,537**		
U.S. Department of Justice	Prosecuting Attorneys' Council of Georgia	46,426	34,624	34,866			8,656	6,330
U.S. Department of Justice	Prosecuting Attorneys' Council of Georgia	45,703	22,425	22,464			5,606	5,096
			$ 57,049	**$ 57,330**			**$ 14,262**	**$ 11,426**
U.S. Department of Justice		190,963	759					
U.S. Department of Justice		101,242	16,959					
U.S. Department of Justice		99,451	27,715					
U.S. Department of Justice		149,721		149,721				
			$ 45,433	**$ 149,721**				
U.S. Department of Justice		4,704		1,344				
				$ 1,344				
U.S. Department of Justice		N/A	758,077					
			$ 758,077					
U.S. Department of Justice		205,459	182,095	182,095				
U.S. Department of Justice		166,954	8,252	8,252				
			$ 190,347	**$ 190,347**				
			$ 1,135,765	**$ 483,601**	**$ 72,537**	**$ 72,537**	**$ 14,262**	**$ 11,426**
U.S. Department of Labor	Atlanta Regional Commission	157,987	97,343	100,560				
			$ 97,343	**$ 100,560**				
			$ 97,343	**$ 100,560**				

continued...

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2014 *(continued)*

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
U.S. Department of Transportation					
Airport Improvement Program	20.106	GADOT 13-AP(135)	AP013-9021-29(135)	5/21/13	8/31/15
Airport Improvement Program	20.106	GADOT 14-AP(135)	AP014-9021-30(135)	3/6/14	12/31/15
SUBTOTAL					
Highway Planning and Construction	20.205	GADOT 00(430)	MSL00-0004-00(430)	12/1/10	12/1/15
Highway Planning and Construction	20.205	GADOT 00(430)-CST	MSL00-0004-00(430)	3/27/13	3/27/17
Highway Planning and Construction	20.205	GADOT 01(063)	BRST0-0054-01(063)	1/18/11	1/18/15
Highway Planning and Construction	20.205	GADOT 06-588	CSTEE-0006-00(588)	7/5/12	12/31/15
Highway Planning and Construction	20.205	GADOT 06-826	CSSTP-0006-00(826)	7/19/11	12/30/14
Highway Planning and Construction	20.205	GADOT 06-827	CSSTP-0006-00(827)	7/19/11	12/30/14
Highway Planning and Construction	20.205	GADOT 06-837	CSSTP-0006-00(837)	7/17/12	7/31/15
Highway Planning and Construction	20.205	GADOT 06-TE8148	TEE-0008-00(148)	11/27/06	12/31/14
Highway Planning and Construction	20.205	GADOT 07-617	CSHPP-0007-00(617)	7/17/12	12/31/14
Highway Planning and Construction	20.205	GADOT 08(075)	CSTEE-0009-00(075)	12/23/08	2/28/15
Highway Planning and Construction	20.205	GADOT 08(905)	CSSTP-0008-00(905)	10/7/08	10/7/18
Highway Planning and Construction	20.205	GADOT 08-HWY 78 CID	CSSTP-0008-00(905)	10/7/08	10/7/18
Highway Planning and Construction	20.205	GADOT 09(072)	CSTEE-0009-00(072)	10/4/11	12/31/14
Highway Planning and Construction	20.205	GADOT 09(073)	CSTEE-0009-00(073)	10/4/11	12/31/14
Highway Planning and Construction	20.205	GADOT 14(883)	PI-0012883	7/1/14	4/30/17
Highway Planning and Construction	20.205	GADOT 09(076)	CSTEE-0009-00(076)	10/23/13	12/31/15
Highway Planning and Construction	20.205	GADOT HPP 06(698)	CSMSL-0006-00(698)	2/7/12	12/31/14
Highway Planning and Construction	20.205	GADOT-14(884)	PI-0012884	7/1/14	6/30/17
SUBTOTAL					
Highway Planning and Construction	20.505	FTA-006	GA-39-0006-00	12/31/10	12/31/14
SUBTOTAL					
Federal Transit – Formula Grant	20.507	ARRA-FTA-004	GA-96-X004-00	7/13/09	12/31/14
Federal Transit – Formula Grant	20.507	FTA-192	GA-90-X192-00	9/18/03	2/1/15
Federal Transit – Formula Grant	20.507	FTA-203	GA-90-X203-01	1/1/05	12/30/15
Federal Transit – Formula Grant	20.507	FTA-203 (OPERATING)	GA-90-X203-01	1/1/05	3/31/15
Federal Transit – Formula Grant	20.507	FTA-231	GA-90-X231-00	9/12/06	12/30/14
Federal Transit – Formula Grant	20.507	FTA-251	GA-90-X251-00	9/26/07	12/31/15
Federal Transit – Formula Grant	20.507	FTA-251 (OPERATING)	GA-90-X251-00	9/26/07	3/31/15
Federal Transit – Formula Grant	20.507	FTA-275	GA-90-X275-00	1/22/09	12/31/14
Federal Transit – Formula Grant	20.507	FTA-315 (OPERATING)	GA-90-X315-00	8/9/12	12/31/16
Federal Transit – Formula Grant	20.507	FTA-336 (OPERATING)	GA-90-X336-00	5/6/14	12/31/18
Federal Transit – Formula Grant	20.507	GRTA-2013	N/A	7/1/13	6/30/16
SUBTOTAL					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Transportation	Georgia Department of Transportation	1,482,445	33,893	143,499	1,732	15,944		
U.S. Department of Transportation	Georgia Department of Transportation	78,048	66,435	66,435	3,691	3,691		
			$ 100,328	**$ 209,934**	**$ 5,423**	**$ 19,635**		
U.S. Department of Transportation	Georgia Department of Transportation	21,890,000	587	2,637,615				
U.S. Department of Transportation	Georgia Department of Transportation	50,021,191	14,918,601	14,980,167				
U.S. Department of Transportation	Georgia Department of Transportation	1,050,000	10,000	49,225				
U.S. Department of Transportation	Georgia Department of Transportation	1,000,000	756,700	690,229				
U.S. Department of Transportation	Georgia Department of Transportation	346,068	3,260	20,001				
U.S. Department of Transportation	Georgia Department of Transportation	332,066	13,350	29,013				
U.S. Department of Transportation	Georgia Department of Transportation	786,982	457,915	436,920				
U.S. Department of Transportation	Georgia Department of Transportation	350,400		17,520				
U.S. Department of Transportation	Georgia Department of Transportation	269,970	143,983	136,784				
U.S. Department of Transportation	Georgia Department of Transportation	430,814	418,510	397,585			162,519	
U.S. Department of Transportation	Georgia Department of Transportation	688,480	454,880	454,880				
U.S. Department of Transportation	Georgia Department of Transportation		(99,808)	(99,808)				
U.S. Department of Transportation	Georgia Department of Transportation	350,000	8,162	26,491				
U.S. Department of Transportation	Georgia Department of Transportation	350,000	5,018	9,748				
U.S. Department of Transportation	Georgia Department of Transportation	680,235	8,413	8,413				
U.S. Department of Transportation	Georgia Department of Transportation	500,000	206,843	196,501				
U.S. Department of Transportation	Georgia Department of Transportation	400,000		20,000				
U.S. Department of Transportation	Georgia Department of Transportation	300,000	3,635	3,635				
			$ 17,310,049	**$ 20,014,919**			**$ 162,519**	
U.S. Department of Transportation	Federal Transit Administration	600,000	150,537	150,538				
			$ 150,537	**$ 150,538**				
U.S. Department of Transportation	Federal Transit Administration	9,662,766	586,120	631,896				
U.S. Department of Transportation	Federal Transit Administration	1,946,557		591				
U.S. Department of Transportation	Federal Transit Administration	437,294		1,190				
U.S. Department of Transportation	Federal Transit Administration	7,942,805	12,530	12,530				
U.S. Department of Transportation	Federal Transit Administration	1,996,926	20,697	20,697				
U.S. Department of Transportation	Federal Transit Administration	2,188,700	28,021	31,056				
U.S. Department of Transportation	Federal Transit Administration	3,879,151	225	225				
U.S. Department of Transportation	Federal Transit Administration	9,971,565	306,630	308,156				
U.S. Department of Transportation	Federal Transit Administration	9,504,000	4,013,054	4,039,934				
U.S. Department of Transportation	Federal Transit Administration	2,327,203	131,665	131,665				
U.S. Department of Transportation	Georgia Regional Transportation Authority	6,358,111	634,514	693,149	1,310,996	1,435,595	896,049	729,642
			$ 5,733,456	**$ 5,871,089**	**$ 1,310,996**	**$ 1,435,595**	**$ 896,049**	**$ 729,642**

continued...

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2014 *(continued)*

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
New Freedom Program	20.521	MARTA-12/NEW FREEDOM	GA-57-X002-03	3/20/12	6/30/15
New Freedom Program	20.521	MARTA-13/NEW FREEDOM	GA-57-X002-04	9/1/13	6/30/15
New Freedom Program	20.521	MARTA-14/NEW FREEDOM	GA-57-X015-00	9/1/14	12/31/15
SUBTOTAL					
State and Community Highway Safety	20.600	GOHS-13/14(DUI)	GA-2014-000-00276	10/1/13	9/30/14
SUBTOTAL					
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					
U.S. Department of Treasury					
Equitable Sharing Program	21.000	Sheriff-27080003	N/A	N/A	N/A
SUBTOTAL					
TOTAL U.S. DEPARTMENT OF TREASURY					
U.S. Department of Health and Human Services					
Community Based Care Transitions	93.621	AR11-CBCT	AG1210	3/1/12	6/30/15
Community Based Care Transitions	93.621	AR13-CBCT	AG1307	7/1/13	6/30/15
Community Based Care Transitions	93.621	AR14-CBCT	AG1507	7/1/14	6/30/15
SUBTOTAL					
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR10-IIIB	AG1117	7/1/10	6/30/14
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR11-IIIB	AG1210	7/1/11	6/30/15
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR12-IIIB	AG1307	7/1/12	6/30/15
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR13-IIIB	AG1307	7/1/13	6/30/15
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR14-IIIB	AG1507	7/1/14	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR10-IIIC	AG1117	7/1/10	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR11-IIIC	AG1210	7/1/11	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR12-IIIC	AG1307	7/1/12	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR13-IIIC	AG1307	7/1/13	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR14-IIIC	AG1507	7/1/14	6/30/15

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Transportation	Metro Atlanta Regional Transit Authority	158,766	2,546	2,441				
U.S. Department of Transportation	Metro Atlanta Regional Transit Authority	182,916	138,245	140,458			93,089	86,835
U.S. Department of Transportation	Metro Atlanta Regional Transit Authority	210,225	13,545	11,139			3,386	6,503
			$ 154,336	**$ 154,038**			**$ 96,475**	**$ 93,338**
U.S. Department of Transportation	Governor's Office of Highway Safety	28,513	21,617	22,427			7,206	6,425
			$ 21,617	**$ 22,427**			**$ 7,206**	**$ 6,425**
			$ 23,470,323	**$ 26,422,945**	**$ 1,316,419**	**$ 1,455,230**	**$ 1,162,249**	**$ 829,405**
US Department of Treasury			403,598					
			$ 403,598					
			$ 403,598					
U.S. Department of Health and Human Services	Atlanta Regional Commission	1,054	334					
U.S. Department of Health and Human Services	Atlanta Regional Commission	10,000	1,320	7,579				
U.S. Department of Health and Human Services	Atlanta Regional Commission	5,000	480	920				
			$ 2,134	**$ 8,499**				
U.S. Department of Health and Human Services	Atlanta Regional Commission	141,818	377		22		44	
U.S. Department of Health and Human Services	Atlanta Regional Commission	141,818	618		36		73	
U.S. Department of Health and Human Services	Atlanta Regional Commission	214,681	1,812		107		213	
U.S. Department of Health and Human Services	Atlanta Regional Commission	389,528	78,781	122,966	4,634	7,234	9,268	15,124
U.S. Department of Health and Human Services	Atlanta Regional Commission	289,545	63,015	103,628	3,707	6,096	7,413	15,739
U.S. Department of Health and Human Services	Atlanta Regional Commission	378,486	1,938		114		228	
U.S. Department of Health and Human Services	Atlanta Regional Commission	378,486	16,371		963		1,926	
U.S. Department of Health and Human Services	Atlanta Regional Commission	383,087	11,621		684		1,367	
U.S. Department of Health and Human Services	Atlanta Regional Commission	568,000	229,902	314,134	13,524	18,478	27,047	21,383
U.S. Department of Health and Human Services	Atlanta Regional Commission	676,873	193,727	203,019	11,396	11,942	22,791	68,254

continued...

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2014 *(continued)*

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
Nutrition Services Incentive Program	93.053	AR10-NSIP	AG1117	7/1/10	6/30/15
Nutrition Services Incentive Program	93.053	AR11-NSIP	AG1210	7/1/11	6/30/15
Nutrition Services Incentive Program	93.053	AR12-NSIP	AG1307	7/1/12	6/30/15
Nutrition Services Incentive Program	93.053	AR13-NSIP	AG1307	7/1/13	6/30/15
Nutrition Services Incentive Program	93.053	AR14-NSIP	AG1507	7/1/14	6/30/15
SUBTOTAL					
National Family Caregiver Support	93.052	AR13-IIIE	AG1307	7/1/13	6/30/15
National Family Caregiver Support	93.052	AR14-IIIE	AG1507	7/1/14	6/30/15
SUBTOTAL					
Substance Abuse and Mental Health Services	93.243	DHHS-12(SAMHSA)	1H79TI024170-01	9/30/12	9/29/15
SUBTOTAL					
Temporary Assistance for Needy Families	93.558	CASA-14/15	42700-040-0000030067	7/1/14	6/30/15
SUBTOTAL					
Children's Justice Grants to States	93.643	CASA-13/14	42700-040-0000019938	7/1/13	6/30/14
SUBTOTAL					
Social Services Block Grant	93.667	AR10-SSBG	AG1117	7/1/10	12/31/14
Social Services Block Grant	93.667	AR12-SSBG	AG1307	3/1/13	6/30/15
Social Services Block Grant	93.667	AR11-SSBG	AG1210	7/1/11	6/30/15
Social Services Block Grant	93.667	AR14-SSBG NSIP	AG1507	7/1/14	6/30/15
SUBTOTAL					
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Health and Human Services	Atlanta Regional Commission	41,552	9,355					
U.S. Department of Health and Human Services	Atlanta Regional Commission	81,880	2,122		5,013			
U.S. Department of Health and Human Services	Atlanta Regional Commission	81,880	98		7			
U.S. Department of Health and Human Services	Atlanta Regional Commission	82,544	11,167	21,787	8,752	12,096		
U.S. Department of Health and Human Services	Atlanta Regional Commission	116,213	39,806	24,189	12,272	16,876		434
			$ 660,710	**$ 789,723**	**$ 61,231**	**$ 72,722**	**$ 70,370**	**$ 120,934**
U.S. Department of Health and Human Services	Atlanta Regional Commission	74,201	38,808	34,852	7,762	6,973	5,174	4,648
U.S. Department of Health and Human Services	Atlanta Regional Commission	81,693	16,865	15,642	3,373	3,128	2,249	2,087
			$ 55,673	**$ 50,494**	**$ 11,135**	**$ 10,101**	**$ 7,423**	**$ 6,735**
U.S. Department of Health and Human Services		374,815	267,304	267,304				
			$ 267,304	**$ 267,304**				
U.S. Department of Health and Human Services	Georgia Court Appointed Special Advocate	42,055	21,492	21,028				
			$ 21,492	**$ 21,028**				
U.S. Department of Health and Human Services	Georgia Court Appointed Special Advocate	39,799	19,740	19,899				
			$ 19,740	**$ 19,899**				
U.S. Department of Health and Human Services	Atlanta Regional Commission	112,094	114					
U.S. Department of Health and Human Services	Atlanta Regional Commission	15,593	8,595					
U.S. Department of Health and Human Services	Atlanta Regional Commission	103,294	683					
U.S. Department of Health and Human Services	Atlanta Regional Commission	19,951	1,962	6,497				
			$ 11,354	**$ 6,497**				
			$ 1,038,407	**$ 1,163,444**	**$ 72,366**	**$ 82,823**	**$ 77,793**	**$ 127,669**

continued...

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2014 *(continued)*

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
Executive Office of the President					
High Intensity Drug Trafficking Area	95.001	District Attorney --32000003	N/A	N/A	N/A
SUBTOTAL					
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT					
U.S. Department of Homeland Security					
Disaster Grants – Public Assistance	97.036	GADHS-2009(FLOOD)	FEMA-1858-DR-GA	9/26/09	7/31/15
SUBTOTAL					
Hazard Mitigation Plan	97.039	GEMA HMGP-1858-57	HMGP-1858-0057	3/1/12	6/30/15
SUBTOTAL					
Emergency Management Performance Grants	97.042	GADHS-13(PPA)	OEM13-069	7/1/13	12/30/14
Emergency Management Performance Grants	97.042	GADHS-14(PPA)	OEM14-069	7/1/14	6/30/15
SUBTOTAL					
Assistance to Firefighters Grant	97.044	DHS-13	EMW-2012-FP-01100	4/25/13	10/24/14
SUBTOTAL					
Homeland Security Grant Program	97.067	GADHS-12(BW2752)	EMW-2011-SS-00081-S01	9/1/11	9/30/14
Homeland Security Grant Program	97.067	GADHS-12(BW2837)	EMW-2011-SS-00081-S01	9/1/11	4/30/14
Homeland Security Grant Program	97.067	GADHS-13(BW3004)	EMW-2012-SS-00063-S01	9/1/12	9/30/14
Homeland Security Grant Program	97.067	GADHS-13(BW3040)	EMW-2012-SS-00081-S01	9/1/12	9/30/14
Homeland Security Grant Program	97.067	GADHS-13(BW3052)	EMW-2012-SS-00063-S01	9/1/12	7/30/14
Homeland Security Grant Program	97.067	GADHS-14(BW3107)	EMW-2013-SS-00054-S01	9/1/13	4/30/15
Homeland Security Grant Program	97.067	GADHS-14(BW3143)	EMW-2013-SS-00054-S01	9/1/13	3/31/15
Homeland Security Grant Program	97.067	GADHS-14(BW3156)	EMW-2013-SS-00054-S01	9/1/13	12/31/14
Homeland Security Grant Program	97.067	GADHS-14(BW3160)	EMW-2013-SS-00054-S01	9/1/13	12/31/14
Homeland Security Grant Program	97.067	GADHS-14(BW3197)	EMW-2013-SS-00054-S01	9/1/13	12/31/14
SUBTOTAL					
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					
TOTAL FEDERAL ASSISTANCE					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
High Intensity Drug Trafficking Area			370,590	366,226				
			$ 370,590	**$ 366,226**				
			$ 370,590	**$ 366,226**				
U.S. Department of Homeland Security	Georgia Department of Homeland Security			(582,943)				
				$ (582,943)				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	2,125,457	35,613	231,529	4,747	19,800	15,865	
			$ 35,613	**$ 231,529**	**$ 4,747**	**$ 19,800**	**$ 15,865**	
U.S. Department of Homeland Security	Georgia Department of Homeland Security	100,000	93,052					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	100,000	2,069	100,500				
			$ 95,121	**$ 100,500**				
U.S. Department of Homeland Security		62,520	1,317	62,520				
			$ 1,317	**$ 62,520**				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	3,500	1,201	1,201				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	20,000	12,756	12,756				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	60,000	5,100	5,147				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	3,500	330	330				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	22,200	13,963	13,963				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	6,000	1,706	1,706				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	59,000	22,980	22,980				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	15,000	15,000	15,000				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	20,000	20,000	20,000				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	3,000	3,000	3,000				
			$ 96,036	**$ 96,083**				
			$ 228,087	**$ (92,311)**	**$ 4,747**	**$ 19,800**	**$ 15,865**	
			$ 36,027,101	**$ 37,749,977**	**$ 1,466,069**	**$ 1,630,390**	**$ 4,443,793**	**$ 2,728,065**

continued...

Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2014 *(continued)*

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
State Funding					
Alzheimer's Program	N/A	AR11-ALZ	AG1210	7/1/11	6/30/15
Alzheimer's Program	N/A	AR12-ALZ	AG1307	7/1/12	6/30/15
Alzheimer's Program	N/A	AR13-ALZ	AG1307	7/1/13	6/30/15
Alzheimer's Program	N/A	AR14-ALZ	AG1507	7/1/14	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR10-CBS	AG1117	7/1/10	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR11-CBS	AG1210	7/1/11	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR12-CBS	AG1307	7/1/12	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR13-CBS	AG1307	7/1/13	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR14-CBS	AG1507	7/1/14	6/30/15
Special Program for Aging	N/A	AR10-ITCO	AG1117	7/1/10	12/31/14
Special Program for Aging	N/A	AR11-ITCO	AG1210	7/1/11	6/30/15
Special Program for Aging	N/A	AR13-ITCO	AG1307	7/1/13	6/30/15
Special Program for Aging	N/A	AR14-ITCO	AG1507	7/1/14	6/30/15
Accountability Court – Drug Program	N/A	CJCC-13/14(DRUG)	J13-8-023	7/1/13	6/30/14
Accountability Court – Drug Program	N/A	CJCC-14/15(DRUG)	J15-8-025	7/1/14	6/30/15
Accountability Court – DUI Program	N/A	CJCC-13/14(DUI)	A13-8-012	7/1/13	6/30/14
Accountability Court – DUI Program	N/A	CJCC-14/15(DUI)	A15-8-015	7/1/14	6/30/15
Juvenile Justice Incentive Grant Program	N/A	CJCC-13/14(JJI)	Y13-8-011	8/1/13	6/30/14
Accountability Court – Juvenile Drug Program	N/A	CJCC-13/14(JUV)	A13-8-028	7/1/13	6/30/14
Accountability Court – Juvenile Drug Program	N/A	CJCC-14/15(JUV)	A15-8-031	7/1/14	6/30/15
Accountability Court – Mental Health Program	N/A	CJCC-13/14(MENTAL)	J13-8-047	7/1/13	6/30/14
Accountability Court – Mental Health Program	N/A	CJCC-14/15(MENTAL)	J15-8-054	7/1/14	6/30/15
Live Healthy Gwinnett	N/A	EMC-14	N/A	7/15/14	7/14/15
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	GADHS-FAMCONN 13/14	427-93-141400064	7/1/13	6/30/14
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	GADHS-FAMCONN 14/15	427-93-151500064	7/1/14	6/30/15
Capital Improvement Assistance	N/A	GADOT-2013 (OPER)	T004606	1/1/13	3/1/15
Out of School Time Program	N/A	NRPA-14	N/A	4/2/14	1/15/15
Judicial Workload Assessment Program	N/A	SJI-14	SJI-14-T-163	8/1/14	8/1/15
Operation Round Up	N/A	WALTON ELECTRIC-2013	N/A	7/22/13	9/3/14
TOTAL STATE/LOCAL ASSISTANCE					
GRAND TOTAL					

See accompanying notes to the schedule of expenditures of federal, state, and local awards.

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
	Atlanta Regional Commission	41,586			726			
	Atlanta Regional Commission	41,586			490			
	Atlanta Regional Commission	41,586			16,240	26,953		
	Atlanta Regional Commission	87,669			24,583	35,444		
	Atlanta Regional Commission	236,670			33,483			
	Atlanta Regional Commission	270,898			23,429			
	Atlanta Regional Commission	266,210			1,209			
	Atlanta Regional Commission	375,329			187,126	245,458	1,513	1,513
	Atlanta Regional Commission	413,087			109,005	166,466	3,094	3,094
	Atlanta Regional Commission	2,753			1,708			
	Atlanta Regional Commission	2,467			66			
	Atlanta Regional Commission	3,446			942	1,400		
	Atlanta Regional Commission	2,951			372	1,135		
	Criminal Justice Coordinating Council	109,883			20,092	34,292		1
	Criminal Justice Coordinating Council	130,228			53,455	53,455	5,939	9,779
	Criminal Justice Coordinating Council	42,608			8,991	8,991		
	Criminal Justice Coordinating Council	50,962			27,037	27,037	3,004	3,397
	Criminal Justice Coordinating Council	231,453			179,554	179,554		
	Criminal Justice Coordinating Council	46,319			23,435	23,583		
	Criminal Justice Coordinating Council	55,519			25,922	25,511	2,880	7,639
	Criminal Justice Coordinating Council	89,699			43,936	44,587		
	Criminal Justice Coordinating Council	134,333			55,046	55,046	6,116	9,009
	Eastside Medical Center	19,273					11,182	9,494
	Georgia Department of Human Services	45,000			29,365	29,365		
	Georgia Department of Human Services	45,000			17,913	17,913		
	Georgia Department of Transportation	329,915			41,274	78,177		
	National Recreation and Park Association	26,200					26,200	26,200
	State Justice Institute	50,000						2,500
	Walton Electric Trust Inc.	2,000					985	
					$ 925,399	**$ 1,054,367**	**$ 60,913**	**$ 72,626**
			$ 36,027,101	**$ 37,749,977**	**$ 2,391,468**	**$ 2,684,757**	**$ 4,342,187**	**$ 2,800,691**

Notes to Schedule of Expenditures 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"), with the exception of the Gwinnett County Board of Health. 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 2014, disbursements were made to sub-recipients or directly to citizens of the following grant programs:

Program	CFDA	Amount
Community Development Block Grants Cluster	14.218	$ 4,387,598
Community Development Block Grants/State's Program	14.228	217,000
Emergency Solutions Grant Program	14.231	448,190
HOME Investment Partnerships Program	14.239	2,010,618
Juvenile Justice Incentive Grant Program	16.523	84,859
Juvenile Justice Incentive Grant Program*	N/A	252,091
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11,998
Highway Planning and Construction	20.205	106,069
Substance Abuse and Mental Health Services	93.243	266,232
Family Connection for Gwinnett Coalition Fiscal Agent*	N/A	47,278
Total		**$ 7,831,933**

** Disbursements made to sub-recipients by a state grant program.*

MAULDIN & JENKINS

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

The Board of Commissioners of Gwinnett County
Lawrenceville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Gwinnett County, Georgia** (the "County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 7, 2015. Our report includes a reference to other auditors who audited the financial statements of the Gwinnett County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The County's Response to the Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 7, 2015

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133

The Board of Commissioners of Gwinnett County
Lawrenceville, Georgia

Report on Compliance for Each Major Federal Program

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 the County's major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Gwinnett County Board of Health, which received $8,719,057 in federal awards which are not included in the Schedule of Expenditures of Federal, State, and Local Awards for the year ended December 31, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 7, 2015

GWINNETT COUNTY, GEORGIA

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

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(1) Summary of Auditors' Results

(a) The type of report issued on the financial statements: **unmodified 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: **Unmodified.**

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

(g) Major Programs:

Highway Planning and Construction Program, CFDA #20.205

GWINNETT COUNTY, GEORGIA

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

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

(h) Dollar threshold to distinguish between Type A and Type B programs: **$1,080,813**

(i) Audit qualified as a low-risk auditee under Section .530 of OMB Circular A-133: **yes**

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

Finding 2014-001 - 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 for which a complete detail listing could not be provided to support the balance of who the amount of funds being held was to be distributed to as of year end. We noted that the Clerk of Courts does maintain and reconcile records of the receipts and disbursements each month. The Clerk of Courts has made progress in development of the details for the various accounts they hold and does have a detail representing most of the amounts owed to others, however there are still some differences. 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 2014-001 - Maintenance of a Ledger of Amount Owed by Agency Funds (continued)

***Cause*:** The bank accounts are not completely 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 continue to work on the development of these details so that they may be properly maintained and reconciled throughout the year.

Response: During 2014, the Department of Financial Services met with the elected officials to offer assistance and discuss possible solutions to the reconciliation issue. The Department of Financial Services will continue to offer assistance to the Clerk of Court's Office 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.

DISCLOSURE SECTION



Disclosure Section (Unaudited)





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 (the "Authority") agreed to provide continuing disclosure of (a) annual information and (b) notices of material events upon issuing its:

- *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 and B*
- *Water and Sewerage Authority Refunding Bonds, Series 2011*

Description of the Water and Sewerage System

The Water System

Gwinnett 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 intake and 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 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 uses 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 30 million gallons per day (MGD) pumps, allowing for a peak pumping capacity of 180 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 design greatly improves reliability of the water system by having backup 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. 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; clear wells; 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 integrated Supervisory Control and Data Acquisition (SCADA) computer system, which controls both the treatment facility and tanks/pump stations within the distribution system.

Additional improvements and enhancements to the Lanier Filter Plant have been ongoing, intended to enhance reliability and accommodate growth. The clear well 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 several years. Also, an 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 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 2 MGD and thereby reduce the amount of raw water withdrawn from the lake. The existing backwash pumps were replaced in 2013. Standby generators were installed in 2014 at both water plants that are capable of powering essential treatment processes and one raw water pump station.



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 program has reduced the Lead/Copper sampling frequency to one event every three years. The most recent sampling and testing was completed in 2014. 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. Both documents were updated in 2013. Additional security upgrades are factored into future CIP planning based on the results of an updated 2013 Vulnerability Assessment.

Transmission Mains: The transmission system includes approximately 180 miles of transmission mains. The first major transmission main loop for the county was completed in 1980 and consisted of approximately 89 miles of 36- and 48-inch pipe. This loop around the county made it possible to reliably serve the entire area with water in the event of a major transmission main break. Large diameter pipes branch off of this loop to provide water service to all populated areas within the county, and also connect to wholesale customers neighboring the county. Because of continued growth, a third transmission main was installed along the western portion of the county. Connections between this main and the original transmission system provide greater flexibility and reliability of the water distribution system. Over time additional improvements to the system have included: a transmission main from the Lanier Filter Plant to the 48" loop near Lawrenceville, a transmission main connecting the Shoal Creek Filter Plant to the Lanier Filter Plant, and a 60-inch transmission line from the Shoal Creek Filter Plant to the 48-inch transmission main on Peachtree Industrial Boulevard. These connections and extensions greatly reinforce the county loop system and add reliability.

Distribution Mains: The distribution main system consists of approximately 3,523 miles of pipes in addition to the transmission mains. These pipes consist of varying materials and sizes, and distribute water from the transmission main system to the customers. More than 50 percent of the distribution system has been installed in the last 25 years.

Booster Stations: The Water System includes several booster pump stations that raise water pressure in local areas to acceptable levels. They are used to provide service to customers in hilltop areas above the system delivery gradient or where limitations in transmission and storage capacity make delivery pressures too low. Currently, the water distribution system has 10 booster stations. 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 pressure management 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 water is delivered to the Central Pressure Zone from four high-service pumps at the Lanier Filter Plant through the County's transmission mains. 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 through a series of pressure-reducing valves which were upgraded in 2014.

Storage Facilities: Water system storage is either ground storage or elevated tanks. The finished water clear wells at the Lanier and Shoal Creek Filter Plants provide 58 million gallons (mg) of storage (38 at Lanier and 20 at Shoal Creek). Ground storage tanks (10 mg or 5 mg in size) are located near the cities of Norcross, Buford, Grayson, Snellville, and Lilburn. Completion of the Rock Quarry 10 mg tank in Buford and the clear well at the Shoal Creek Filter Plant boosts total finished water storage to 119 mg.

Customers of the Water System: As of December 31, 2014, the water system had 240,630 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, Norcross, Peachtree Corners, Snellville, and Sugar Hill. The water system also provides direct retail service to some of the residents of the cities of Buford, Lawrenceville, Loganville, and Suwanee. It serves some of the residents of Buford, Lawrenceville, 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's water system in December 1991, the City of Grayson's water system in May 1993, the City of Sugar Hill's water and sewer system in December 1995, and the City of Dacula's water system in May 1996, and the City of Norcross' water system in 2013.

Water Consumption 2005 – 2014

The following table shows the average daily consumption in MGD of water billed by the Water System during the years 2005 through 2014:

	Gwinnett County Consumption		Out-of-County Consumption	Total Average Daily
Year	Retail	Wholesale	Wholesale	Consumption
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
2012	60.34	2.38	0.22	62.94
2013	57.00	1.77	0.13	58.90
2014	57.45	1.79	0.19	59.43

Non-revenue water is due to water system losses, fire flow, meter underreporting and other causes. In 2010, non-revenue water was approximately 11 percent of the volume of water produced. 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 American Water Works Association's Free Water Audit Software. Non-revenue water was calculated at 11.4 percent for 2014. 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 overall pressures in certain areas of the county by creating new pressure zones in the higher pressure areas of the county.

The following tables show the 10 largest retail and wholesale customers of the water system during the 12 months ended December 31, 2014. Total water usage during the 12 months ending December 31, 2014, was 22,337,501/thousands of gallons, generating $130,701,969 in usage revenues (excluding late fees). No single retail customer accounted for more than 1.04 percent of total water system usage revenues in 2014, and the 10 largest retail customers together accounted for 3.74 percent of such revenues. No single wholesale customer accounted for more than 2.22 percent of total water system usage revenues in 2014, and the nine wholesale customers together accounted for 2.48 percent of such revenues. In addition to regular water revenues, we generated $14,051,955 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 – 2014

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	267,940.2	0.73	$ 1,355,087
Gwinnett County Government	227,077.6	0.62	1,258,735
Publix	130,574.9	0.36	632,006
Gwinnett County Jail	88,457.4	0.24	428,288
OFS Brightwave	58,086.3	0.16	281,629
Phillips State Prison	44,474.9	0.12	215,174
Cottonwood Bristol	40,773.8	0.11	197,540
Overlook at Berkeley	35,766.6	0.10	176,546
MTS Sweetwater	35,433.6	0.10	171,681
Promenade at Berkeley	34,920.0	0.10	169,147
TOTAL	**963,505.3**	**2.64**	**$ 4,885,833**



Water Use: Wholesale Water Customers – 2014

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
City of Lawrenceville	651,456.6	1.78	$ 2,905,262
City of Loganville	22,329.1	0.06	207,778
City of Buford	19,661.4	0.05	85,087
Rockdale County	6,978.0	0.02	33,843
City of Suwanee	784.1	0.00	3,802
City of Braselton	568.1	0.00	2,709
Walton County Water	177.4	0.00	797
City of Auburn	71.3	0.00	289
Barrow County	8.6	0.00	17
TOTAL	**702,034.6**	**1.91**	**$ 3,239,584**

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 a special meeting on December 16, 2014. This resolution has removed the previous rate increase in 2015. The Board of Commissioners has subsequently adopted rate increases effective every other year beginning on January 1 2017 and going through 2021 (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
¾"	$7.50
1"	$16.50
1½"	$27.00
2"	$52.50
3"	$144.00
4"	$210.00
6"	$400.00
8"	$750.00

Retail Monthly Water Charges

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

Current 2014	Effective Jan 1, 2015	Effective Jan 1, 2017	Effective Jan 1, 2019	Effective Jan 1, 2021
Tier 1: $4.85/1,000 gal	Tier 1: $4.85/1,000 gal	Tier 1: $4.92/1,000 gal	Tier 1: $4.99/1,000 gal	Tier 1: $5.06/1,000 gal
Tier 2: $7.275/1,000 gal	Tier 2: $7.275/1,000 gal	Tier 2: $7.38/1,000 gal	Tier 2: $7.49/1,000 gal	Tier 2: $7.59/1,000 gal
Tier 3: $9.70/1,000 gal	Tier 3: $9.70/1,000 gal	Tier 3: $9.84/1,000 gal	Tier 3: $9.98/1,000 gal	Tier 3: $10.12/1,000 gal

Note: Water charges are based on a three-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.

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 2014	Effective Jan 1, 2015	Effective Jan 1, 2017	Effective Jan 1, 2019	Effective Jan 1, 2021
$9.70/1,000 gal	$9.70/1,000 gal	$9.84/1,000 gal	$9.98/1,000 gal	$10.12/1,000 gal

Fire Protection

The fee for fire protection taps is $2.00 per inch of fire service pipe diameter. Also water that 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 1 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:

Meter Size	Charge per Connection
¾"	$ 395
1"	527
1½"	1,036
2"	1,248
3"	1,562
4"	2,250
6"	3,890
8"	6,627
10"	9,630
12"	16,211

Water System Development Charges

Water Meter Size	January 1, 2015 – 2021
¾"	$ 1,128
1"	3,610
1½"	8,573
2"	15,679
3"	39,142
4"	62,830
6"	125,434
8"	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 Engineers' 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 112 MGD, 118 MGD, 110 MGD, 81 MGD, 87 MGD, 87 MGD, 91 MGD, 84 MGD, 71 MGD, and 86 MGD for the years 2005 – 2014, 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 then proceeded 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 were 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 worked to resolve this issue and took the following steps:

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

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

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. While the County awaited the Corps of Engineers' determination, the County continued 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.

On February 12, 2012, the State of Alabama, Alabama Power, the City of Apalachicola, the State of Florida, and Southeastern Federal Power Customers filed a petition for a Writ of Certiorari, thereby appealing the decision of the 11th Circuit Court of Appeals to the U.S. Supreme Court. On June 25, 2012, the U.S. Supreme Court denied the Writ of Certiorari, taking no part in the consideration or decisions of the petitions. On June 26, 2012, the Corps of Engineers issued a memorandum stating that it has the legal authority to store and release water for water supply from Lake Lanier sufficient to meet Georgia's 2000 request for 705 MGD (297 MGD direct lake withdrawals and 408 MGD from the Chattahoochee River below Buford Dam). To date, the Corps has not determined how that request is to be distributed to the various water purveyors, including Gwinnett County. However, the Corps of Engineers is currently developing an updated Water Control Manual for the ACF basin, and the operation of the federal dams within that basin, which is anticipated to address the issue of distribution of the 705 MGD Georgia request.

On September 25, 2013, the State of Florida filed a motion for leave to file a complaint against the State of Georgia before the Supreme Court of the United States. The complaint is for equitable apportionment of the water within the ACF Basin and includes a request for injunctive relief. In the complaint Florida argues that the Apalachicola Bay oyster fishery has been harmed by their claim that Georgia has overused the water within the basin, both for metro Atlanta water users as well as agricultural uses, which has resulted in an increase in the salinity of the bay, a claim which has not been proven factually. In addition, Florida has argued that numerous other economically beneficial, as well as endangered, species are also threatened as a result of reduced flows. Florida has requested the Supreme Court cap Georgia's overall depletive water withdrawals at the levels of January 1992.

Georgia has filed its answer to Florida's complaint, but the United States Supreme Court has yet to decide whether it will hear Florida's complaint. That decision is expected to be forthcoming sometime in the Spring of 2015.

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. All of the sewerage system's WRFs provide advanced treatment under some of the most stringent environmental requirement in the state of Georgia. The County also had additional treatment capacity (contracted) in one other WRF outside of the county. In August of 2014, however, the County completed the infrastructure which allowed the wastewater that was being treated outside of the County to be diverted to a County facility.

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 2014.

Sewerage System Capacity and Usage in 2014

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

Wastewater Reclamation Facilities (WRFs)	Permit	ADMMF	AADF
F. Wayne Hill WRC	60.0	33.43	31.50
Crooked Creek WRF	16.0	8.33	7.32
Yellow River WRF	22.0	14.72	13.39
Pole Bridge WPCF[1]	2.5	0.46	0.07
TOTAL SYSTEM[2]	**100.5**	**56.94**	**52.28**

[1] Plant capacity at Pole Bridge is used through an agreement with DeKalb County, beginning in August 2014 the wastewater was diverted and this capacity is no longer available
[2] 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 numbers of National Pollutant Discharge Elimination System (NPDES) permit violations experienced by the County's WRFs. In the years 2008 through 2014, the violations reported were respectively zero, ten, four, two, zero, zero and one. Nine of the violations in 2009 and four in 2010 were permitted flow exceedances caused by flooding in the County in September 2009. Due to the severity of the flooding, the county was declared a natural disaster by the Federal Emergency Management Agency (FEMA). Gwinnett County WRFs have won more than 135 awards from the National Association of Clean Water Agencies and the Georgia Association of Water Professionals in the years 2008 through 2014 for exceptional operations and permit compliance. In 2008, the F. Wayne Hill WRC was selected as Plant of the Year in its size category by the Georgia Association of Water Professionals, and also received the *National Clean Water Act Recognition Award* and the *Region IV National Clean Water Act Recognition Award* from the 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 F. Wayne Hill WRC meets one of 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 F. Wayne Hill WRC is permitted to discharge up to 40 MGD into Lake Sidney Lanier and 20 MGD into the Chattahoochee River. The F. Wayne Hill WRC began discharging to Lake Lanier after the completion of the pipeline to the Lake in 2010. The F. Wayne Hill WRC discharged 9,371 mg of reclaimed water in 2011, 8,426 mg in 2012, and 9,640 mg in 2013, and 10,659 mg in 2014 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 resulted in reduced capital costs for construction as well as long-term operating costs. This savings is achieved through 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 Crooked Creek WRF Improvement project started in 2009 to improve efficiency and provide reliable treatment capacity. Improvements completed in 2011 include: a new influent pump station with in-line grinders and a new headworks with band screens and vortex grit removal. A new administration and maintenance building and new effluent filters were completed in 2014.



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 the National Association of Counties.

Collection System: Gwinnett County has approximately 2,971 miles of gravity and force main sewers ranging in size from eight inches to 72 inches in diameter, and approximately 220 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 at this time. The 2030 Water and Wastewater Master Plan identified infrastructure improvement needs through the 2030 planning period and beyond based on flow projections. The County experiences sanitary sewer overflows, mainly due to root intrusion and grease accumulation in the sewer system. The County has a grease control and root control program to address these issues. The reportable overflows for 2009 to 2014 were 31, 30, 22, 23, 14, and 25 respectively.

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. All large and all but one small 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.

Customers of the Sewerage System: As of December 31, 2014, the Sewerage System had 158,684 retail customers. The City of Norcross was using the Sewerage System facilities on a wholesale basis until May of 2013 when Gwinnett County purchased Norcross' water and sewerage system. Beginning January 1, 2012, Gwinnett County entered into 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 2014. Total sewer usage during 2014 was 15,454,638.5/thousands of gallons, generating $123,972,645 in usage revenues (excluding late fees). No single retail user accounted for more than 1.36 percent of total Sewerage System revenues in 2014, and the 10 largest users together accounted for 4.91 percent of such revenues. In addition to retail customers, the County also provided service to two municipal customers on a wholesale basis: DeKalb County and the City of Lawrenceville. DeKalb County produced 0.41 MGD of wastewater in 2014 and was billed $1,106,672. The City of Lawrenceville produced 0.84 MGD of wastewater in 2014 and was billed $3,866,715. These two wholesale customers accounted for 4.02 percent of the total Sewerage System revenues.

10 Largest Retail Sewerage Users – 2014

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	215,460.6	0.59	$1,693,337
Gwinnett County Government	159,717.6	0.43	$1,204,437
Publix	90,132.6	0.24	$805,026
Gwinnett County Jail	80,762.0	0.21	$628,448
Phillips State Prison	44,474.9	0.12	$345,444
Cottonwood Bristol	40,773.8	0.11	$317,905
MTS Sweetwater	35,443.6	0.09	$276,331
Overlook at Berkeley	35,078.3	0.09	$273,261
Promenade at Berkeley	34,920.0	0.09	$272,121
FAOF of Ashby	34,822.3	0.09	$271,479
TOTAL	**771,585.7**	**2.06**	**$6,087,789**

Current Sewerage Rates: The schedule presented below shows sanitary sewer rates. The Gwinnett County Board of Commissioners adopted the following rates at a special meeting on December 16, 2014. This resolution has removed the previous rate increase in 2015. The Board of Commissioners has subsequently adopted rate increases effective every other year beginning on January 1st 2017 and going through 2021 (see schedules that follow). The sewer 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.

Current 2014	Effective Jan 1, 2015	Effective Jan 1, 2017	Effective Jan 1, 2019	Effective Jan 1, 2021
$7.82/1,000 gal	$7.82/1,000 gal	$7.98/1,000 gal	$8.14/1,000 gal	$8.30/1,000 gal

Note: In addition to the water base fee, all retail sewer accounts pay a base sewer fee of $5.00 per billing period, with the exception of multi-family housing on a master meter. The base fee is separate from the volume charge for either water or sewer usage. Where one meter serves more than one unit, the monthly meter fee is $10.00 per unit per billing period. Base fee 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, 2015 – 2021
¾"	$4,147
1"	$13,270
1½"	$31,517
2"	$57,643
3"	$143,901
4"	$230,988
6"	$461,146
8"	$737,751
10"	Varies*
12"	Varies*

** 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 table on the following page provides a summary of combined operating results:

Gwinnett County Water and Sewerage System and Authority Summary of Combined Operating Results

(in thousands of dollars)

	2014	2013	2012	2011	2010
Operating Revenues:					
Residential and commercial service	$ 288,199	$ 263,997	$ 259,042	$ 248,280	$ 232,764
Wholesale service	4,287	4,333	5,347	6,445	7,091
Public fire protection charges to other funds	677	670	665	652	648
Connection charges	1,209	1,110	650	373	463
Miscellaneous	4,635	7,124	5,585	4,476	6,348
Total operating revenues	299,007	277,234	271,289	260,226	247,314
Operating Expenses:					
Water production	14,564	17,492	14,516	15,860	15,161
Distribution and collection	31,090	28,537	28,011	29,261	26,868
Engineering	4,465	4,633	4,771	4,823	4,587
Reclamation	31,826	30,465	30,755	28,199	27,928
Depreciation and amortization	77,632	81,583	66,784	69,387	68,424
General and administrative	26,692	30,404	31,521	28,185	28,916
Total operating expenses	186,269	193,114	176,358	175,715	171,884
Operating income	112,738	84,120	94,931	84,511	75,430
Non-operating Revenues (Expenses):					
Intergovernmental	–	–	586	1,667	6,617
Investment earnings	868	355	556	542	402
Interest expense	(38,402)	(40,770)	(42,843)	(31,530)	(36,407)
Loss on disposal of fixed assets	(1,902)	(26,582)	(21,576)	(4,385)	(1,804)
Income before operating transfers and contributions	73,302	17,123	31,654	50,805	44,238
Capital contributions	29,051	21,471	13,449	15,416	10,745
Transfers in	–	–	–	–	74
Transfers out	(165)	(165)	(165)	(90)	(90)
Increase in net position	102,188	38,429	44,938	66,131	54,967
Net position, January 1, as restated*	2,399,833	2,361,404	2,316,466	2,255,937	2,200,970
Net position, December 31	$ 2,502,021	$ 2,399,833	$ 2,361,404	$ 2,322,068	$ 2,255,937

*2011 net position has been restated due to the implementation of GASB statement No. 65.

Security for the Bonds

General

The Series 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.

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 practices, but before making provisions 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 the payment of debt service are paid to the Renewal and Extension Fund for funding of capital projects.

The Lease requires the County to revise and adjust, as often as it shall appear necessary, the schedule of rates, fees, and charges for water and sewerage services and facilities to produce funds sufficient to operate and maintain the System on a sound businesslike basis and to make the Lease Payments as required. Pursuant to the Lease, the County has covenanted that such rates, fees, and charges, shall be maintained at such level so as to produce Net Revenues equal to at least 1.2 times the Debt Service Requirement in the then current year and, taking into account amounts on deposit therein, to create and maintain by the end of each year a balance in the Renewal and Extension Fund of not less than $3,000,000.

With respect to Second Lien Bonds issued as Variable Rate Obligations, the Debt Service Requirement is computed at a rate equal to the sum of (a) the lesser of: (i) the average interest rate on such Variable Rate Bonds for the 12 consecutive months preceding the date of calculation, and (ii) the average of the BMA Index for the 12 consecutive months preceding the date of calculation; and (b) any fees associated with any Liquidity Facility or Remarketing Agreement related to such bonds.

Additional Bonds

As stated in the Supplemental Lease, the Authority will not issue Additional Bonds under the First Lien debt after October 1, 2004. However, the Supplemental Lease does not restrict the issuance of Additional Second Lien bonds. The following conditions must be met before the 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.



Annual Debt Service Requirements

Debt service requirements on the Water and Sewerage Authority Revenue Bonds, Series 2005, 2006, 2008, 2009, and 2011 are as follows:

	Second Lien				
Bond Year Ending December 31	Debt Service Requirements 2005	Debt Service Requirements 2006	Debt Service Requirements 2008	Debt Service Requirements 2009*	Debt Service Requirements 2011
2015	34,529,287	7,510,219	17,131,882	19,151,835	18,367,350
2016	34,520,562	7,704,181	17,128,882	19,088,035	18,364,950
2017	34,528,162	7,585,394	17,128,483	19,090,035	18,368,950
2018	34,538,762	7,468,594	17,128,983	19,089,635	18,366,500
2019	10,036,400	13,501,994	17,129,733	19,086,235	18,368,750
2020 – 2024	29,896,450	87,792,912	85,650,002	95,443,400	91,835,650
2025 – 2029	–	23,541,737	68,521,896	98,688,738	18,364,500
Total	**178,049,623**	**155,105,031**	**239,819,861**	**289,637,913**	**202,036,650**

** The Series 2009 bond amounts presented above represent the aggregate Debt Service amounts for both the 2009A and 2009B bonds.*

Audited Annual Financial Statements

The Financial Section of this Comprehensive Annual Financial Report contains the County's Financial Statements with related Independent Auditors' Report. The County also has separately issued financial statements for the Water and Sewerage Authority, with related Independent Auditors' Report. These statements are consistent with the financial statements contained in the Official Statements in compliance with SEC *Rule 15c2-12(b)(5)(i)(A) and (B).*

Required Notices

The following table lists each material event and required notice defined in *15c2-12(b)(5)(i)(C)* and *(D)*. Since none occurred, the table confirms that no notice to the Nationally Recognized Municipal Securities Information Repository or the Municipal Securities Rule Making Board was required for any of the material events related to the Series 2005, 2006, 2008, 2009, and 2011 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.

Rule Sec.	Description	Series 2005	Series 2006	Series 2008	Series 2009	Series 2011
(C)(1)	Principal and interest payment delinquencies	None	None	None	None	None
(C)(2)	Non-payment related defaults	None	None	None	None	None
(C)(3)	Unscheduled draws on debt service reserves reflecting financial difficulties	None	None	None	None	None
(C)(4)	Unscheduled draws on credit enhancements reflecting financial difficulties	None	None	None	None	None
(C)(5)	Substitution of credit or liquidity providers, or their failure to perform	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
(C)(7)	Modifications to rights of security holders	None	None	None	None	None
(C)(8)	Bond calls	None	None	None	None	None
(C)(9)	Defeasances	None	None	None	None	None
(C)(10)	Release, substitution, or sale of property securing repayment of the securities	None	None	None	None	None
(C)(11)	Ratings changes	None	None	None	None	None
(D)	Failure to provide annual financial information or operating data in a timely manner	None	None	None	None	None



Other Information

Other relevant information is located in the Statistical Section of this Comprehensive Annual Financial Report.

ABOUT THE COVER



The Animal Welfare and Enforcement Center

The Animal Welfare and Enforcement Center is a 36,000 square foot facility located at 884 Winder Highway in Lawrenceville. The center features a 1,200 square foot barn, a Police K-9 operations building, and an enclosed pasture.

The center has placed a new emphasis on saving animals through adoption, rescues, and pets reclaimed by owners, helping to dramatically decrease the euthanasia rate nearly 70 percent from 2009 to 2013.

The center partners with community rescue groups, offers pet ownership courses, and holds year-round promotions in an effort to boost the number of adoptions and rescues. The center also hosts low-cost vaccinations and spay and neuter clinics throughout the year.

The center also has an Itty Bitty Kitties program where volunteers care for very young kittens until they are old enough to find their forever homes. This program saved 600 kittens in 2013.

For more information on how you can adopt your new family member or for tips on successful pet ownership, please visit the Animal Welfare and Enforcement Center's website at **www.gwinnettanimalcontrol.com**.



Prepared by: Department of Financial Services

Editing, Layout and Design, and Photographs: Communications Division

Created: Spring 2015

We would like to express our appreciation to the department directors and elected officials, the Financial Services staff, the Communications staff, and staff members in other departments for their exceptional contributions to the preparation of this document.

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