

2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2016

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YEAR ENDED DECEMBER 31, 2016

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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







Department of Financial Services
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June 14, 2017

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, 2016.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in 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, 2016, 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 21 – 34 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.



The financial statements contained in this report were impacted by several major budgetary initiatives. Throughout the budget planning process, the following were identified as major factors affecting the 2016 budget: 1) public safety and judicial; 2) economic development/redevelopment; 3) workforce retention and recruitment; 4) community engagement; and 5) capital investments in transportation, water resources, public safety, judicial, and senior services. To address workforce retention and recruitment concerns, the budget included a 4 percent pay-for-performance compensation adjustment for eligible employees and the restoration of longevity pay that was eliminated in 2009. The budget partially restored certain services that were cut in previous years' budgets including funding for libraries, transit, senior services, parks, and the animal shelter. Funding for capital projects including the construction of a new state patrol building, the construction of a new senior center, a courthouse expansion, and the construction of a new medical examiner/morgue building was also included in the budget, as well as capital investments for major infrastructure needs such as water and sewer system maintenance and transportation improvements.

The County's reserve policies also affected the fiscal year 2016 budget. The budget was developed to ensure the County's reserve policies are met. Separate reserve policies are in place for the General Fund, Special Revenue Funds, and Enterprise Funds. More information on the County's reserve policies can be found in the 2017 Budget Document (page II:31), which is available online at www.gwinnettbudget.com. Also see ***Note 1*** (O. Fund Balance) on page 60 of this report.

Cost savings measures, such as requiring justification for specific commitment items and continuing the 90-day job vacancy policy, remained priorities in 2016. The County's policy of holding vacant positions unfilled for at least 90 days had a $6.9 million positive impact on the financial statements in this document.



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.

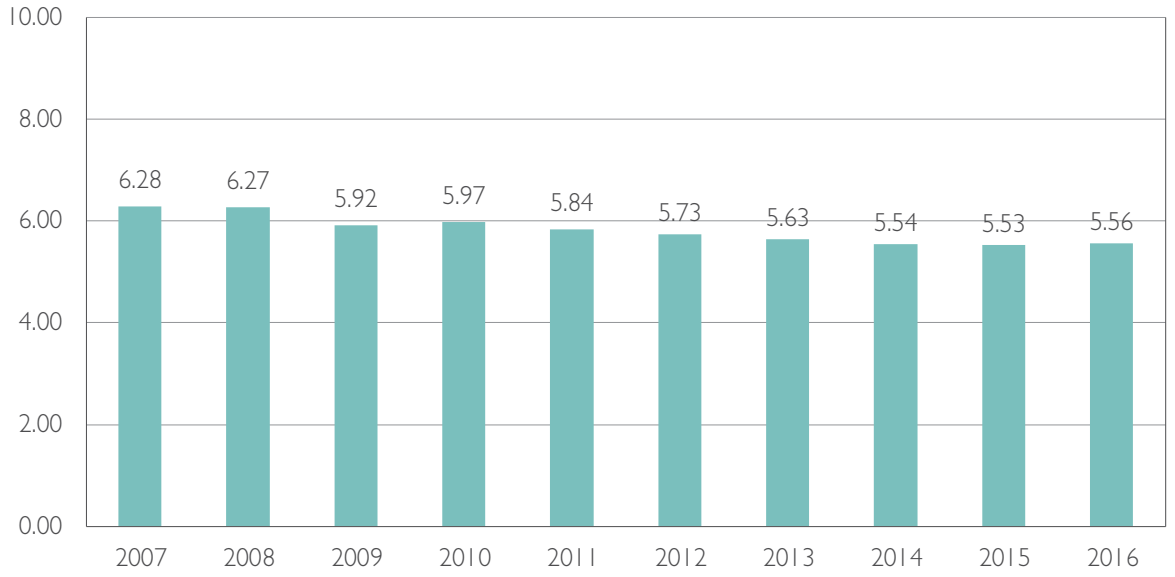
Gwinnett County is known as the northeast gateway to the metropolitan Atlanta area, with Interstate 85 running generally north/south through the county. Located in close proximity to the Hartsfield-Jackson Atlanta International Airport, the busiest airport in the world, the county is located within a 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 the U.S. Census Bureau's population estimates released in March 2017, Gwinnett County's population was estimated at 907,135 in 2016, and its population is expected to reach 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. Gwinnett added an estimated 11,312 residents from July 1, 2015 to July 1, 2016, a growth rate of approximately 1.3 percent.

Gwinnett County faces an ever present challenge of maintaining service levels with fewer employees. Even as the economy slowed, the county's population continued to grow. For many years, the county added thousands of new residents, resulting in greater demand for services with fewer available resources. From 2008 – 2015, the county's population increased approximately 15 percent, while authorized positions increased by less than 1 percent. From 2015 to 2016, with the addition of approximately 100 new positions, the ratio of authorized positions per 1,000 population increased slightly for the first time since 2010.

Ratio of Authorized Positions Per 1,000 Population



Source: U.S. Census Bureau

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 15.

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 four dozen 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.

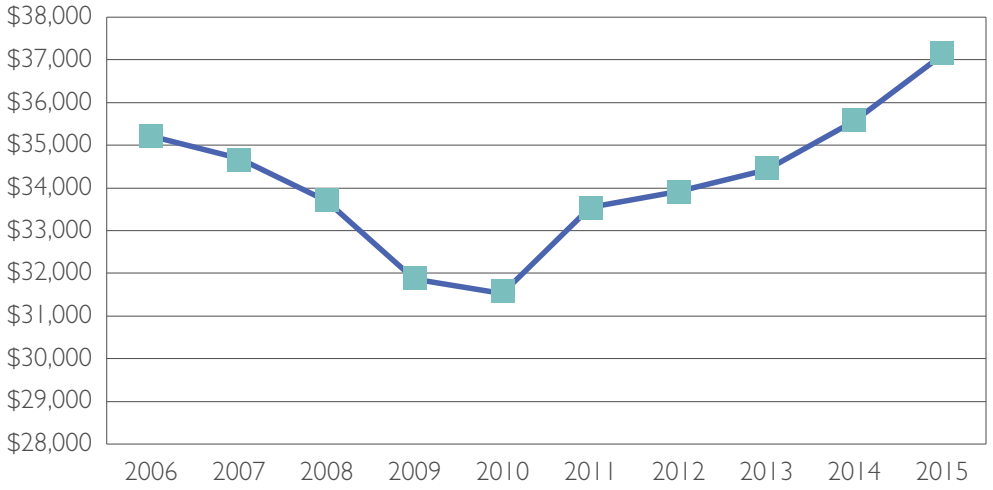
Local Economy

Gwinnett County continues to benefit from an improving local economy. This is evident by the County's improving real estate market, as indicated by increases in the real property tax digest. The growth is primarily attributable to increasing home values and new construction. From 2013 to 2016, the average value of a home in Gwinnett rose approximately 34 percent from $148,720 to $199,000. From November 2015 to November 2016, Gwinnett County was the most active county in the metro Atlanta area with 884 home sales, followed by Fulton, Cobb, and DeKalb County (Source: Atlanta Realtors Association). According to the Georgia Department of Revenue, property tax values in Gwinnett County ranked third in the state of Georgia in 2015.

The job market in Gwinnett County continues to fare better than many counties across the Atlanta region and the state of Georgia. In November 2016, according to the Georgia Department of Labor, Gwinnett County ranked among the top 15 percent of counties with the lowest unemployment rates in the state of Georgia. The County had a preliminary November 2016 unemployment rate of 4.5 percent, which was lower than both the Atlanta Metropolitan area (4.8 percent) and the state (5.0 percent). According to the U.S. Bureau of Labor Statistics, Gwinnett County achieved a job growth rate of 3.2 percent from June 2015 to June 2016, ranking it 48th among the largest 345 counties in the United States.

Per capita personal income, a measure of standard of living, is another useful indicator of the County's economic well-being. From 2006 to 2010, residents saw their incomes decline. In 2011, per capita personal income began to improve and has continued to improve since then, exceeding 2006 and 2007 (pre-recession) levels by 2014. According to the Bureau of Labor Statistics, Gwinnett County had a per capital personal income of $37,106 in 2015, an increase of 4.3 percent from 2014.

2006 – 2015 Per Capita Personal Income
Gwinnett County, Georgia



Source: U.S. Bureau of Economic Analysis



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 is guiding the County's land use policies, growth, and infrastructure development through the 2030 plan horizon, and is an innovative road-map for smart growth in Gwinnett.

A Unified Plan update began in mid-2014 and was completed in early 2016. The update relied 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 were organized around the same central themes from the original plan—maintaining economic development and fiscal health, fostering redevelopment, maintaining mobility and accessibility, providing more housing choices, and keeping Gwinnett a preferred place. Included in the plan update are revised demographic forecasts, a new character area, revised policies for existing character areas, and changes to the future development map.

The Comprehensive Transportation Plan (CTP), a component of the 2030 Unified Plan, informs Gwinnett County officials and its residents on the subject of future transportation needs, projects that address those needs, and the advantages, costs, and potential funding sources for those projects. The CTP is paired with the Unified Plan's Comprehensive Land Use Planning element. Together, these two documents define the long-term comprehensive vision for growth of the County and a plan for investment in the County's transportation system and other supporting infrastructure. The current CTP was developed in 2007 – 2008. An update to the CTP was initiated in 2015; the CTP update is a 20-month process. Draft recommendations will be presented to the public and the final plan will be presented for adoption in 2017.

Tax Digest
From 2008 to 2013, Gwinnett County experienced a 19.5 percent decline in the countywide tax digest and 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. The County saw 1.4 percent growth in the countywide tax digest in 2015, and additional 6.3 percent growth in 2016. These growth rates have been impacted by the inception of the motor vehicle title ad valorem tax (TAVT) implemented in 2013, which has caused motor vehicle taxes to decline as citizens transition from the old method of paying the annual "birthday tax" for their vehicles to TAVT (paying a one-time fee/tax at the time a title is transferred). While TAVT has had a negative effect on the countywide digest, increases resulting from improvements in the housing and construction markets have outweighed its impact.

Real property taxes, which are the largest component of the digest, increased 26.8 percent from 2013 to 2016. With property values stabilizing and construction activity increasing, real property has grown in each of the last three years and is expected to return to pre-recession levels in 2017.

Rising Health Care Costs
Gwinnett County continues to place a strong emphasis on the well-being 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.

The Wellness Incentive Program continues to benefit employees and provides a way for the County to encourage healthy habits. The most favorable medical insurance premium rates continue to be dependent on participation in the Wellness Program. Funding for Health Savings Accounts and Health Reimbursement Arrangements are based on Wellness Program activity participation and continue to be effective for encouraging healthy behavior. In 2016, over 86 percent of eligible employees participated in the Wellness Program. Beginning with the 2017 Wellness Year, which runs from November 21, 2016 to November 18, 2017, spouses will also be included in the program.

Gwinnett County continues to monitor the effectiveness of its health plans and funding structures. With changing regulations, we will need to be proactive to manage the plans and provide quality healthcare to employees and retirees. Our strategy of defined contribution and sharing the costs with the employees and retirees has proved successful in managing costs. This strategy provides employees with choices and offers 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 opened in the second quarter of 2015, is another step the County has taken to help control costs from both the self-insured and fully-insured plans. During 2016, over 4,900 employees, retirees, and dependents visited the Wellness Center.

The County's costs continue to increase, as do health care costs for most employers nationwide. The County increased employee and employer costs by slightly more than 9 percent for the 2017 renewals, an increase that is still below the national average. The strategies we have in place have allowed us to keep a tight rein on the increasing costs of health care. As a result of several competitive procurement processes in 2016, we were able to reduce the cost of life insurance for the County and employees as well as offer a shorter waiting period for employee-paid Short-Term Disability coverage. We were also able to reduce the cost of Stop Loss Insurance for the self-funded health insurance 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. In 2016, the Retirement Plan Management Committee decreased the DB plan's assumed rate of return and extended the amortization period by five additional years. These changes increased the plan's unfunded liability, but decreased the plan's dependence on market returns.

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.

In 2014, Gwinnett County became the first county in the region to earn Gold certification as a Green Community by the Atlanta Regional Commission. The certification recognizes the County for leadership in implementing policies and practices that contribute to the efficient and sustainable use of resources in metro Atlanta.

Some of the efforts Gwinnett County has made towards environmental sustainability include:

- 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
- Offering a toilet recycling program saving 28 million gallons of water annually and diverting 100 tons of porcelain away from landfills for use as road base, pipe bed, and landscaping
- Travelling to schools throughout the County teaching students the importance of water conservation through the *Water on Wheels* program
- Hosting annual recycling events which collected 32.5 tons of paper, 31.9 tons of electronics, 10 tons of tires, 6,264 gallons of paint, 324 pairs of sneakers, 1,700 pounds of textiles, and 452 toner cartridges in 2016
- Offering non-traditional recycling to Gwinnett residents for electronics, batteries, cell phones, and compact fluorescent light bulbs

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 captures and coordinates the needs and plans of all County departments. A Capital Improvement Plan (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 2016, Gwinnett County voters approved the renewal of the one-cent Special Purpose Local Option Sales Tax (SPLOST). The six-year program will start in April 2017 and is expected to raise an estimated $950 million for capital projects. County and city officials have agreed to share SPLOST proceeds, with the County receiving 78.76 percent and cities getting 21.24 percent. The County will dedicate 65 percent of its share of the proposed SPLOST to transportation, including $30.8 million for joint city/county projects. Funds will also support parks, public safety, civic center expansion, library relocation/renovation, and senior facilities. To learn more about planned uses, visit the 2017 SPLOST fact sheet on the County's website.

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

Additional information about the policies listed above is available on the County's website in the 2017 Budget Document (pages II: 20-31).

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 Department provides independent, objective assurance and management advisory services that are designed to improve the County's operations. Internal Audit helps the Board of Commissioners, Elected Officials, and Management accomplish their objectives by bringing a disciplined approach to evaluate the effectiveness of risk management, control, and governance processes. This is accomplished primarily through compliance, operational, financial, and information system audits for all Gwinnett County departments and offices.

Strategy and Performance Management
Gwinnett County has used the Balanced Scorecard (BSC) methodology for performance measurement since 2007. During this time, the program has been managed and monitored by the Performance Analysis Division. Departmental key performance indicators were tracked within four perspectives or views of the business – Organizational Learning and Growth, Internal Process Efficiency and Effectiveness, Financial Stewardship, and Citizen/Customer Engagement. In late 2016, the Performance Analysis Division merged with the Strategic Business Development Division in the Department of Financial Services. The merged group was renamed the Office of Strategy and Performance Management (OSPM) with the intent of taking the County's strategy and performance management efforts to the next level. The goal of OSPM is to coordinate the development and alignment of strategy across all departments through the oversight and support of strategy development, performance measurement and management, continuous improvement and strategic innovation. This is accomplished through the use of a Management Framework that aligns actions taken at front-line levels upward toward over-arching priorities set by County leadership, ultimately producing value to our citizens.

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"

Gwinnett County caters to domestic and international businesses of all sizes and has been a top job creator in metro-Atlanta in the past decade. Economic development programs like Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation and retention, professional development, and education, have helped support job growth by bringing new businesses to Gwinnett County. Partnership Gwinnett works to promote the following target industries: advanced manufacturing and supply chain management, health sciences and services, headquarters and professional services, and information technology solutions. Gwinnett's assets in these sectors are strong, and efforts are made to ensure companies continue to be satisfied with their Gwinnett location, expand their presence in the county, and grow additional local economic opportunities. In 2016, Partnership Gwinnett achieved 15 project wins, creating more than 2,500 new jobs.

Gwinnett County's infrastructure and accessibility offer a competitive advantage to businesses competing in a global economy. A network of highways offers direct access to deepwater ports in the cities of Savannah and Brunswick, GA, and Charleston, SC, and more than 80 percent of the population is within a two-hour flight of Atlanta, which is a short drive from Gwinnett. With more than 500 international companies located in Gwinnett, the County is home to nearly 15 percent of international companies in the state of Georgia. More than 60 international companies have chosen Gwinnett for their U.S. or global headquarters including Mitsubishi Electric, Ricoh Electronics, GEIGER Automotive, Dasan Machineries Company, and WIKA Instruments. The County is also home to the global headquarters of Fortune 500 company AGCO Corporation.

Gwinnett County continues to grow its commitment to the research and technology industry. Most notable is the expansion of the research and development corridor area along Highway 316 to the Barrow County line. In addition, the County has approved a mixed-use office and retail development on Highway 316 near Dacula and Sugarloaf Crossing. In 2015, Comcast, one of Georgia's largest employers, selected Peachtree Corners as the site for its new regional headquarters, which has the potential to add 150 new jobs and relocate 532 existing full-time employees. This became official on May 26, 2016 when Comcast opened its southeast headquarters at 6200 The Corners Parkway in Peachtree Corners. The location is a state-of-the-art facility with a high-tech demonstration lab and a Comcast University space for training and continuing education.

On January 12, 2017, Kaiser Permanente held its grand opening for a new 185,000 square-foot center located off Duluth's Breckinridge Boulevard. The facility has the potential to create 800 new jobs by 2020 and serve 10 million customers across eight states. Kaiser Permanente invested almost $51 million in renovations with the expectation of tapping into Gwinnett's skilled workforce, solid infrastructure, and quality of life amenities.





"Safe neighborhoods"

The Gwinnett County Police Department (GCPD) has an authorized strength of 783 sworn officers supported by 323 non-sworn employees. GCPD is committed to providing quality public safety for residents and businesses. The department has attained accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. since 1993. Approximately 5 percent of more than 18,000 law enforcement agencies nationwide enjoy this prestigious recognition. First in 2013 and again in 2016, GCPD is one of the few police agencies nationwide to receive the Accreditation with Excellence Award, the highest level of accreditation. In 2016, GCPD responded to 558,600 incidents, reached a homicide solve rate of 89 percent (beating the national average of 64 percent), and achieved a record high animal save rate of 90.5 percent. Thanks to their commitment, 92 percent of residents surveyed reported feeling safe in their neighborhoods in 2016.

To deter and reduce crime in a given community, GCPD established a neighborhood watch program called C.O.P.S. (Community Oriented Police Service) in 1988. The goal of the C.O.P.S. program is to enhance the quality of community life through the establishment of an active partnership between residents and police. There are currently 247 active C.O.P.S. communities in the county and numerous others in the process of becoming C.O.P.S. communities. The program works by encouraging active involvement by citizens in the watching, caring, and protection of their neighborhoods. This active involvement increases the safety of the lives and property of its residents.

"Plentiful greenspace and recreational facilities"

Gwinnett County Parks and Recreation (GCPR) offers award-winning parks and leisure activities year-round to Gwinnett County residents. GCPR operates 49 parks and facilities that include 179 sports fields, 53 tennis courts, 40 outdoor basketball courts, 24 sand volleyball courts, five year-round and seven seasonal aquatic facilities, eight dog park areas, seven cultural/historic sites, 128 miles of trails, eight skate complexes, 72 playgrounds, picnic areas, pavilions, fishing lakes, and more. In November 2016, GCPR was recognized by the Georgia Recreation and Park Association as the number one park agency in the state serving populations of 150,001 or greater.

Gwinnett County continues to place a high priority on greenspace, as well as active and passive park land. As of 2016, Gwinnett parkland totaled 9,646 acres for both passive and active parks. Natural resource management took on a renewed focus with the addition of management and staff to support environmental conservation and stewardship of public lands.

In 2016, GCPR offered 7,459 classes, summer camps, and special events. Parks and Recreation Operations increased summer camp opportunities to Junior Adventure Camp (5-6 year olds) and expanded Kidsplosion Camp to Lenora Park, offering a total 272 summer camps with 6,116 campers.

Parks and Recreation continues the use of alternative labor resources, which include volunteers, community service workers, and inmate labor to assist in maintaining and sustaining parks, facilities, and programs throughout the county. In 2016, the division recorded 18,301 hours from community service workers, 779,925 hours from volunteers, and 17,501 hours from inmate labor.

"Making life better for our citizens"

Gwinnett County is committed to the safety, health, and well-being of our citizens. The County offers an economy that boasts strong job growth and plentiful business opportunities, a nationally-accredited police department, and an award-winning parks and recreation system.

Gwinnett County Health and Human Services provides senior citizens, families, and individuals with opportunities to participate in quality services to improve their health and well-being. The division offers educational resources to Gwinnett residents through a variety of classes, events, and workshops for all ages at its service centers and senior centers, and its efforts to make life better for citizens are numerous. Some of Health and Human Services' achievements in 2016 are as follows:

- Health and Human Services' Buford Human Services Center added 21 new programs, serving 6,620 residents. The entire center served a total of 36,840 residents and is offering behavioral and mental health services in Spanish by Ser Familia.
- Health and Human Services' Centerville Community Center sponsored a Knitting Guild that created and donated 179 pieces of knitted items to the Gwinnett Medical Center, Gwinnett Pregnancy Crisis Center, and the Neonatal Intensive Care Unit of Gwinnett Medical Center; served approximately 80 individuals who received free Rapid Human Immunodeficiency Virus (HIV) Testing for ages 13 and over sponsored by Positive Impact Health Centers; provided heating assistance to approximately 1,200 residents through the Low Income Home Energy Assistance Program (LIHEAP); and assisted more than 300 residents with free income tax returns through the Volunteer Income Tax Assistance (VITA) program.
- Health and Human Services' Centerville Community Center served approximately 45,806 residents, collaborating with staff and community partners for more than 4,500 programming hours, which included 37 new programs.
- Health and Human Services' Norcross Human Services Center, separate from those provided by the in-house agencies they support, provided classes and programs to more than 11,000 community members, presented 24 new programs and classes, and gained 17 new community partners, including 241 multicultural hours of programs and classes per month.

The Department of Transportation continues to improve residents' quality of life through transit system enhancements that make transportation easily accessible to residents. Gwinnett County Transit operates four express bus routes during morning and afternoon peak travel times Monday through Friday and five local bus routes all day Monday through Friday. The express routes allow transit customers to park their cars at Park and Ride lots located in the county and take transit to destinations in downtown and midtown Atlanta and Emory/CDC area. The local routes are complemented by door-to-door *Americans with Disabilities Act (ADA)* paratransit service for ADA-eligible customers unable to use the local bus. In 2016, 28 new local buses were placed into service, and a new express route to the Emory/CDC area was added. The transit system is operated using 43 express coaches, 28 local buses, and 10 paratransit vehicles.

"Partnering with Others in our Community"

Partnerships are the backbone of the Department of Community Services. Without community partnerships, Gwinnett County would not be able to provide the many services offered. In 2016, 1,608 public and private organizations offered a service/program or provided manpower/funding to enhance a service/program within the Department of Community Services. 40,856 athletes were involved in youth sports through 30 youth athletic associations. Through the Gwinnett Parks Foundation Scholarship Program, 416 campers were offered "free" swimming lessons for over 170 hours of instruction with a cost savings of $20,800 to those families. Health and Human Services partner, Friends of Gwinnett County Senior Services, partnered with Gwinnett Christian Terrace, Fire and Emergency Services, and Pioneering Technology to install smart-burners in all the residences of Gwinnett Christian Terrace senior-living community. A partnership with Gwinnett County Public Schools allowed UGA Extension Gwinnett to continue to offer the Gwinnett 4-H Program to students. Thanks to funding from the Environmental and Heritage Center Foundation, the Gwinnett Environmental and Heritage Center hosted six special exhibits.



Awards and Acknowledgements

Gwinnett County received numerous awards in 2016. The list below includes only a handful of awards won in 2016. A complete list can be found at www.gwinnettcounty.com.

- *Distinguished Budget Presentation Award* and *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association of the United States and Canada
- *NaCo Achievement Award* for Walk the Talk Program from the National Association of Counties
- *Achievement of Excellence in Procurement Award* from the National Purchasing Institute and *Outstanding Agency Accreditation Achievement Award* from the National Institute of Governmental Purchasing
- *Organization of the Year* to the Environmental and Heritage Center from the Georgia Project Water Education for Teachers
- *Community Wellness Healthcare Award* for Live Healthy Gwinnett from the Gwinnett Chamber of Commerce
- *Sports & Nutrition Community Leadership Award* for Live Healthy Gwinnett from the President's Council on Fitness
- *Project Excellence Award* for the E-911 Help Locator Trail Marking System from the Society of Outdoor Recreation Professionals
- *Plan First Community* from the Georgia Department of Community Affairs
- *NATOA Government Programming Awards First Place (Children and Young Adults)* for Water Science with Wade videos from the National Association of Telecommunications Officers
- *NACo Achievement Award* for the Firefighter/Paramedic Trainee Program from the National Association of Counties
- *Mission Lifeline® EMS Gold Level Recognition Award* from the American Heart Association
- *NACo Achievement Award* to the Employee Wellness Center from the National Association of Counties
- *Accreditation with Excellence Award* from the Commission on Accreditation for Law Enforcement Agencies Inc.
- *NACo Achievement Award* for the Emergency Operations Center Management Team from the National Association of Counties
- *Outside the Box Award* (Best of ITS Awards Program) to the Traffic Control Center for School Zone Flashing Beacons from ITS Georgia
- *Distribution Award – Gold* from the Georgia Association of Water Professionals
- *Utility of the Future Today* from the National Association of Clean Water Agencies, the Water Environment Federation, the Water Environment Research Federation, and WateReuse
- *Collections Award – Platinum* from the Georgia Association of Water Professionals

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 is a tribute to their dedication.

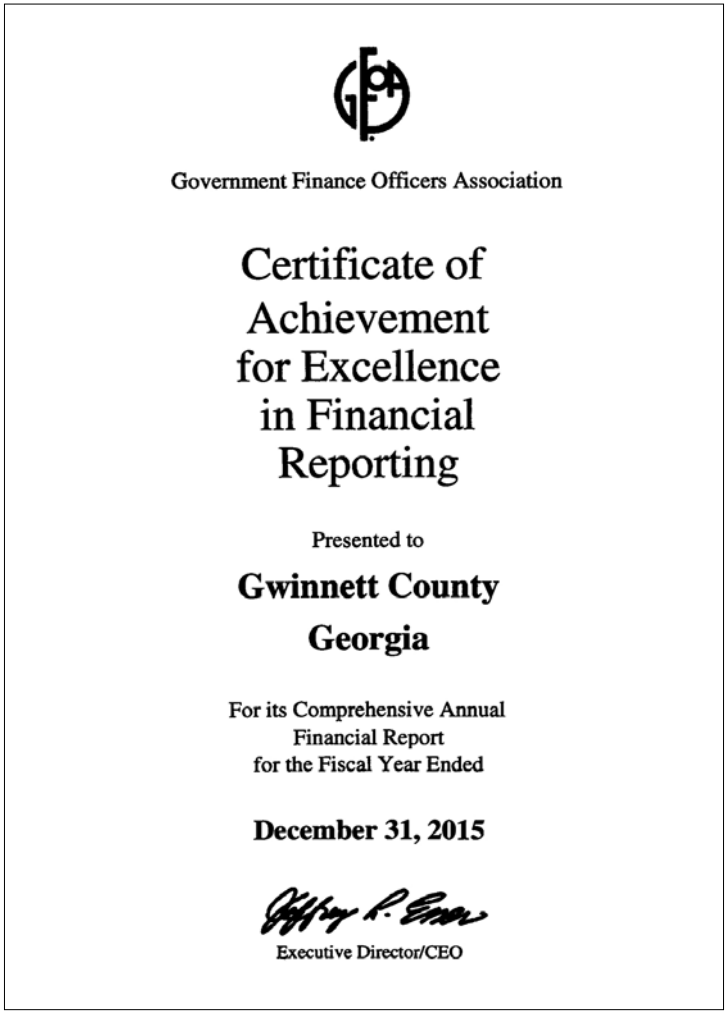
Respectfully submitted,



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, 2015. This was the 35th 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

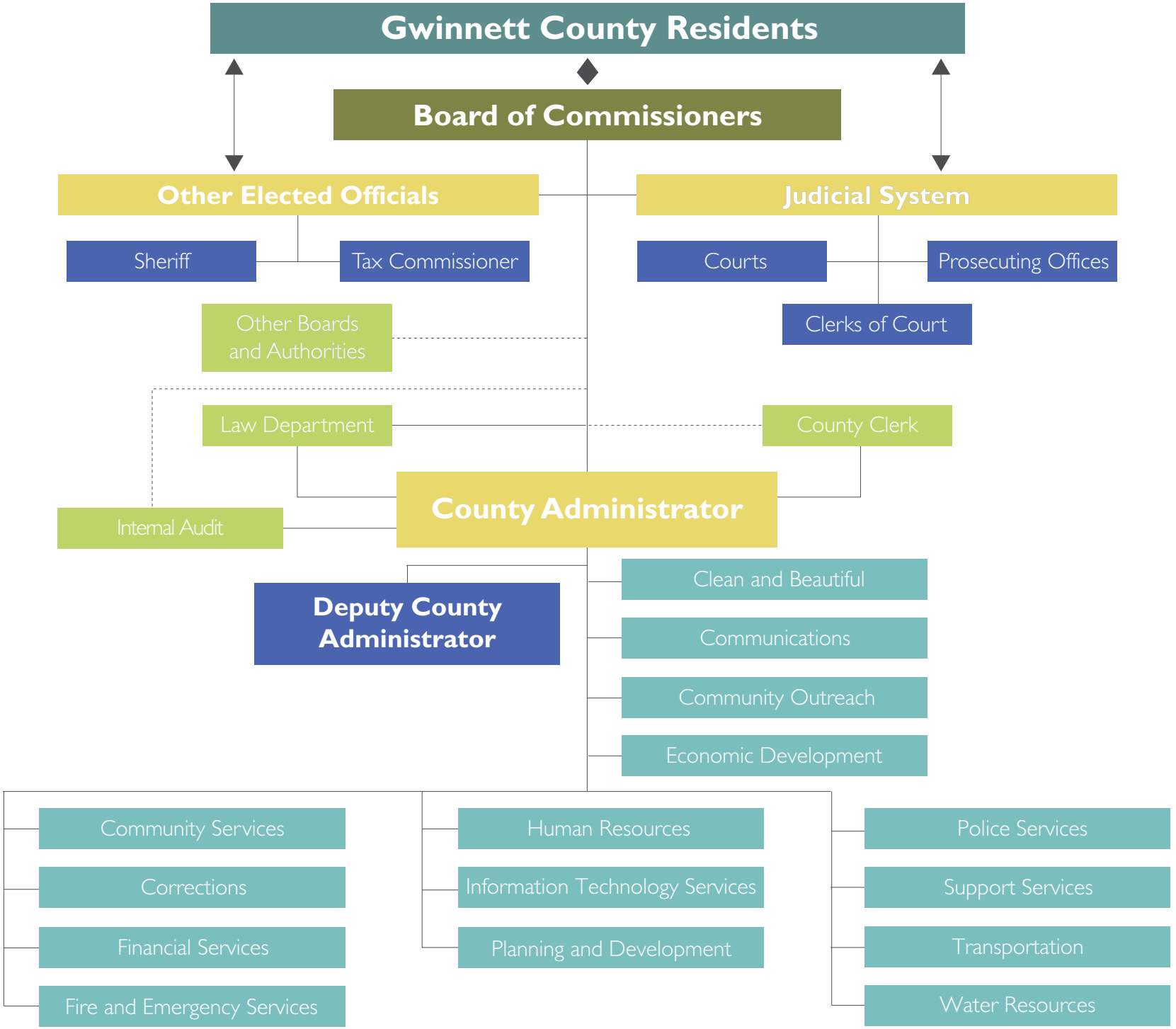
Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial 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
Clerks of Court
Other Boards and Authorities
Law Department
County Clerk
Internal Audit
County Administrator
Deputy County Administrator
Clean and Beautiful
Communications
Community Outreach
Economic Development
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
Tina Fleming, 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
Kathy Holland, Director

Police Services
Chief Butch Ayers

Support Services
Angelia Parham, Director

Transportation
Alan Chapman, Director

Water Resources
Ron Seibenhener, Director

Elected Officials

Clerk of Court
Richard T. Alexander Jr.

District Attorney
Danny 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
Tom Davis
Warren 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
Tadia D. Whitner
Robert Waller

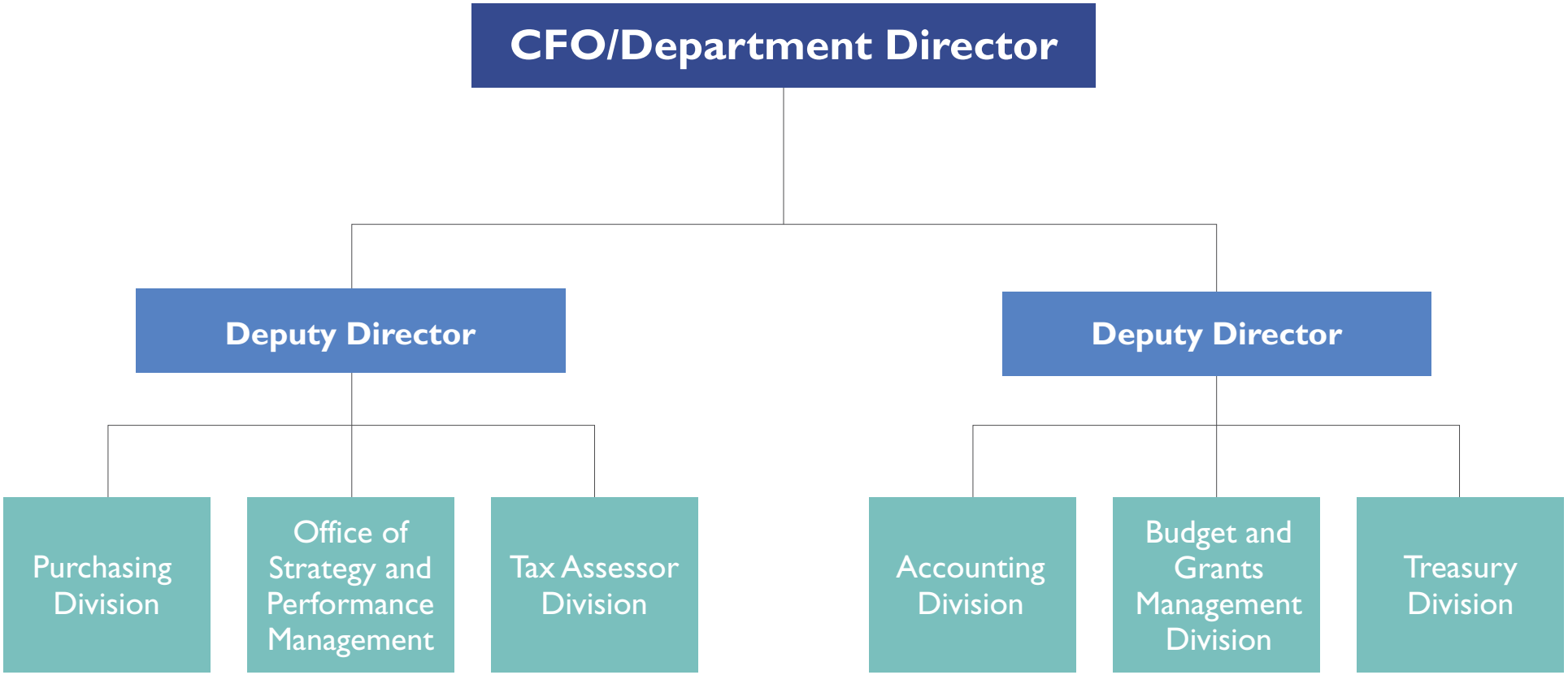
Recorder's Court Judges
Michael Greene, Chief Judge
Rodney S. Harris
Patricia Muise

Clerk of Recorder's Court
Jeff C. West

Court Administrator
Philip M. Boudewyns

gwinnettcounty

Department of **Financial Services**



Accounting Division

Laurie **Puckett**, CPA, CPFO, Director
Penny **Purchell**, CPA, CPFO, Financial Reporting Manager
Natalie **Williams**, Accounting Manager

Dana **Brunson**, Financial Analyst
Alicia **Carmon**, Financial Analyst
Deirdre **Diggs**, Financial Analyst
Suhelly **Lopez**, Financial Analyst
Anna **Payne**, Financial Analyst
Erika **Rivera**, Financial Analyst
Denise **Troup**, Financial Analyst
Brian **Yen**, Financial Analyst

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gwinnett County Board of Health, which represents 13%, 24%, and 50%, 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, 2016, 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, the Schedule of Changes in the County's Net Pension Liability and Related Ratios, the Schedule of County Contributions, and the Schedule of Funding Progress, on pages 21 through 34, pages 103, 104, and 106, 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 Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; 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 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 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 June 14, 2017 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
June 14, 2017

Management's Discussion and Analysis

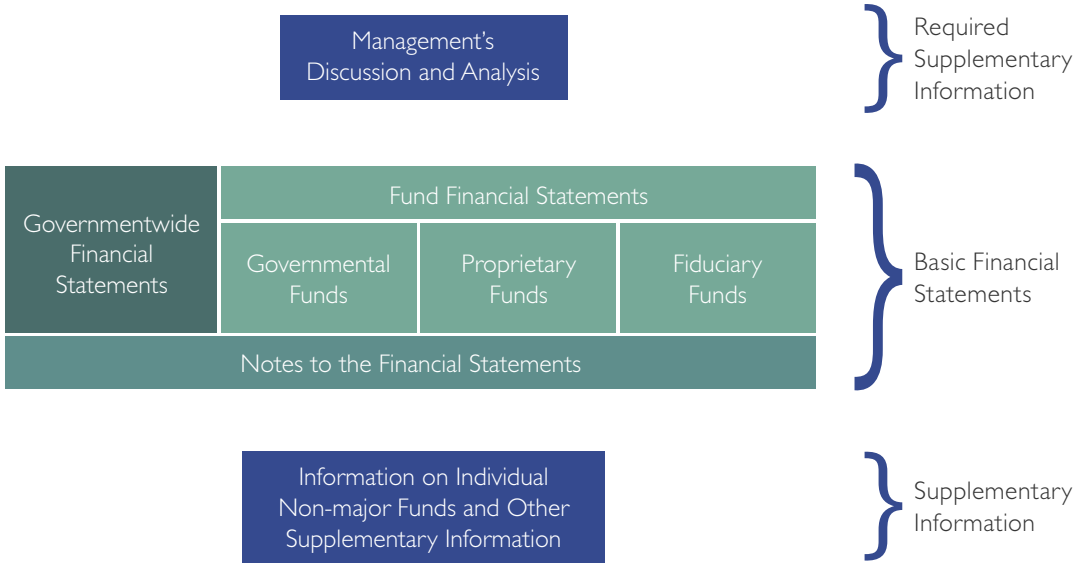




As management of Gwinnett County, Georgia, we offer readers of Gwinnett County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; 4) identify material deviations from the original budget; and 5) identify individual fund issues or concerns. We encourage readers to consider the information presented within this section in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Overview of the Financial Statements

This document is arranged in the following format:



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

Governmentwide financial statements: The governmentwide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government. There are two governmentwide statements, the statement of net 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 55 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 Development Authority, and the Gwinnett County Health Department. 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 Sewerage Authority, the Airport Authority, the Recreation Authority, the Public Facilities Authority, and the Stormwater Authority, although also legally separate, operate solely on behalf of departments of the County and therefore are included as integral parts of the primary government.

The governmentwide financial statements can be found on pages 35 – 36 of this report. The component unit combining statements are presented on pages 49 – 50.

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, Park Place 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 55 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 41 – 43. The basic governmental fund financial statements can be found on pages 37 – 40.

Proprietary funds: Gwinnett County maintains two different types of proprietary funds. Enterprise funds are used to account for quasi-business functions where revenues typically come from charges or fees (water usage, 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 Sewerage 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 44 – 46 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 47. The County also maintains fiduciary funds for Pension and Other Post-Employment Benefits (OPEB) trust funds. These funds are aggregated and presented on pages 47 and 48.

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 52 – 102 of this report.

Financial Highlights

- Gwinnett County's assets and deferred outflows of resources exceeded liabilities at December 31, 2016 by $6,676,574,000 (net position). Of this amount, $597,423,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- As of December 31, 2016, the County's governmental funds reported combined fund balances of $975,709,000, an increase of $37,064,000 when compared to the prior year. Of the $975,709,000 total governmental fund balance, $115,467,000 remains in the General Fund as unassigned.
- At December 31, 2016, the County's General Fund reported a fund balance of $149,060,000, an increase of $3,841,000, or 2.6 percent, from last fiscal year.
- As of December 31, 2016, the County's enterprise funds reported a combined net position of $3,302,761,000, an increase of $173,111,000 when compared to the prior year. Of the $3,302,761,000 total enterprise fund balance, $325,206,000 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.
- In 2016, Gwinnett County refinanced some of its outstanding Water and Sewer Authority revenue bonds. These transactions resulted in total debt service savings of $36.2 million and a net present value debt service savings of approximately $31.7 million for the County.
- Since 1997, the County has maintained a AAA credit rating from each of the three rating agencies that review public sector debt.



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 $6,676,574,000 at the close of the most recent fiscal year. This represents an increase of $221,118,000, or 3.4 percent, from fiscal year 2015.

Gwinnett County's Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 1,189,344	$ 1,144,442	$ 475,114	$ 446,738	$ 1,664,458	$ 1,591,180
Capital assets	2,575,391	2,511,585	3,685,796	3,596,793	6,261,187	6,108,378
Total assets	3,764,735	3,656,027	4,160,910	4,043,531	7,925,645	7,699,558
Deferred outflows of resources	69,522	126,224	27,574	28,288	97,096	154,512
Long-term liabilities outstanding	402,578	396,267	792,921	854,504	1,195,499	1,250,771
Other liabilities	57,211	57,230	93,457	90,613	150,668	147,843
Total liabilities	459,789	453,497	886,378	945,117	1,346,167	1,398,614
Net position:						
Net investment in capital assets	2,474,706	2,405,163	2,949,587	2,790,538	5,424,293	5,195,701
Restricted	626,890	629,259	27,968	27,043	654,858	656,302
Unrestricted	272,872	294,332	324,551	309,121	597,423	603,453
Total net position	$ 3,374,468	$ 3,328,754	$ 3,302,106	$ 3,126,702	$ 6,676,574	$ 6,455,456

By far the largest portion of the County's net position (81.2 percent) at December 31, 2016, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to 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 (9.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($597,423,000) may be used to meet the government's ongoing obligations to residents and creditors. For more information on fund balances and net position, see *Note 14*.

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 2015.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	$ 98,818	$ 97,586	$ 397,439	$ 385,315	$ 496,257	$ 482,901
Operating grants and contributions	8,783	8,408	5,340	6,432	14,123	14,840
Capital grants and contributions	33,742	30,319	76,259	44,405	110,001	74,724
General revenues:						
Property taxes	392,669	382,407	–	–	392,669	382,407
Sales taxes	150,031	146,564	–	–	150,031	146,564
Other taxes	75,392	74,491	–	–	75,392	74,491
Investment income	1,301	3,130	791	2,021	2,092	5,151
Other	7,656	10,154	–	–	7,656	10,154
Total revenues	768,392	753,059	479,829	438,173	1,248,221	1,191,232
Expenses						
General government	42,353	42,338	–	–	42,353	42,338
Public safety	279,861	250,029	–	–	279,861	250,029
Judiciary	168,308	151,945	–	–	168,308	151,945
Public works	100,209	95,907	–	–	100,209	95,907
Health and welfare	9,707	9,228	–	–	9,707	9,228
Culture and recreation	80,377	77,237	–	–	80,377	77,237
Housing and development	23,604	21,601	–	–	23,604	21,601
Tourism	3,017	2,773	–	–	3,017	2,773
Development authority	4,586	4,622	–	–	4,586	4,622
Interest on long-term debt	197	277	–	–	197	277
Water and sewer	–	–	227,738	239,093	227,738	239,093
Airport	–	–	1,286	1,482	1,286	1,482
Solid waste	–	–	41,488	40,617	41,488	40,617
Stormwater	–	–	27,057	28,861	27,057	28,861
Transit	–	–	17,315	17,818	17,315	17,818
Total expenses	712,219	655,957	314,884	327,871	1,027,103	983,828
Increase in net position before transfers	56,173	97,102	164,945	110,302	221,118	207,404
Transfers	(10,459)	(25,161)	10,459	25,161	–	–
Increase in net position after transfers	45,714	71,941	175,404	135,463	221,118	207,404
Net position – January 1	3,328,754	3,256,813	3,126,702	2,991,239	6,455,456	6,248,052
Net position – December 31	$ 3,374,468	$ 3,328,754	$ 3,302,106	$ 3,126,702	$ 6,676,574	$ 6,455,456

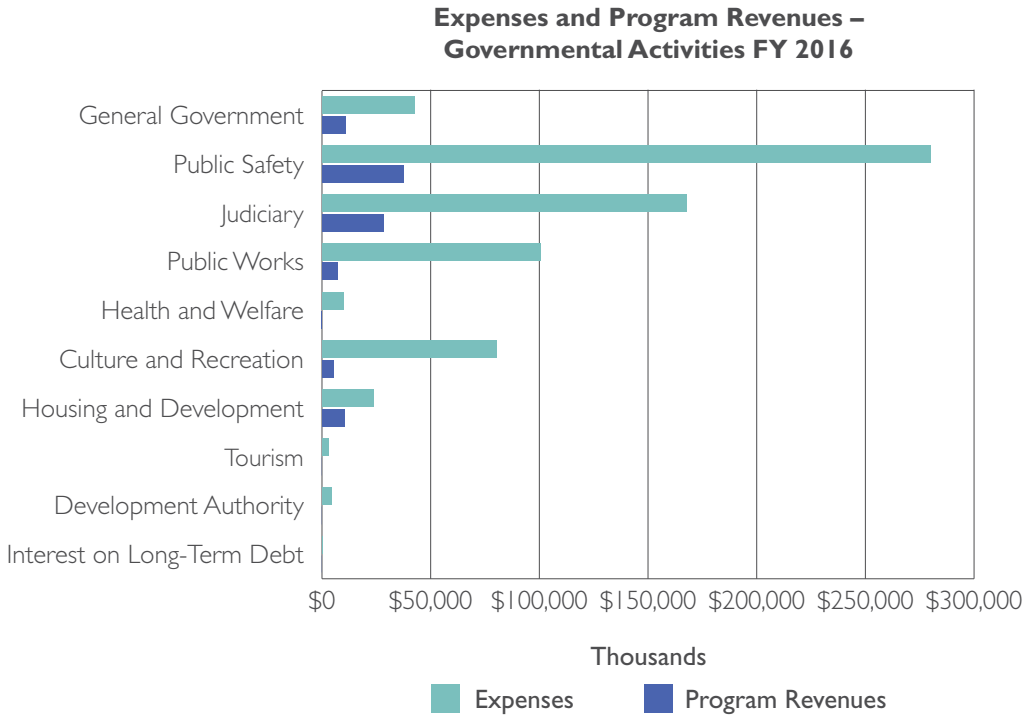
Governmental activities: Governmental activities increased the County's net position by $45,714,000, thereby accounting for 20.7 percent of the total growth in net position.

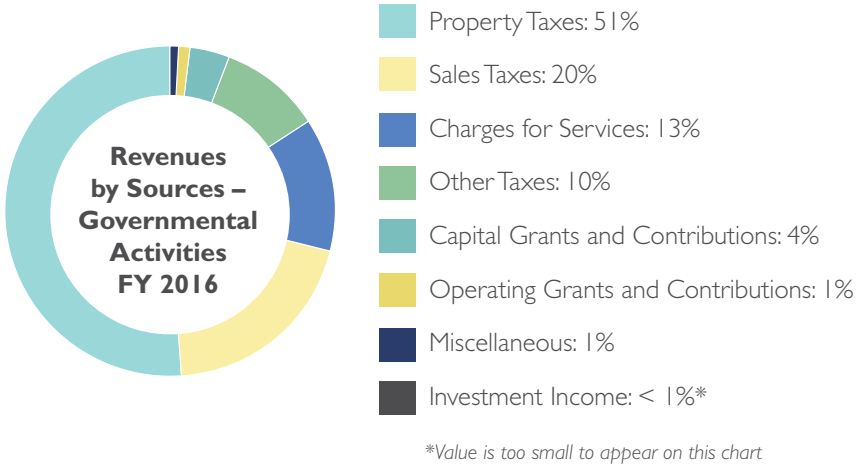
- Revenues increased by $15.3 million, primarily due to increases in property taxes ($10.3 million), sales tax ($3.4 million), charges for services ($1.2 million), other taxes ($0.9 million), capital grants and contributions ($3.4 million) and operating grants and contributions ($0.4 million). These increases were offset by decreases in investment income ($1.8 million), and other revenues ($2.5 million). The increase in property taxes is mainly attributed to an increase in property values. Sales taxes and other taxes have increased as the economy continues to strengthen.

- Public safety expenses increased by $29.8 million, of which approximately $9.2 million is attributable to increases in personal services due to pay increases and increases in employee benefits expenses. Approximately $7.3 million of the increase is due to increased indirect cost allocations to public safety in 2016 as compared to 2015. The largest increase, approximately $15.0 million, was due to recording pension expense in the governmentwide statements. These increases were primarily offset by a decrease in the amount of internal service fund operating activity that was allocated to public safety in 2016.

- Judiciary expenses increased by $16.4 million, of which approximately $4.4 million is attributable to increases in personal services due to pay increases and increases in employee benefits expenses. Approximately $5.5 million of the increase is due to an increase in indirect cost allocations to judiciary in 2016 as compared to 2015 and approximately $7.4 million is due to recording pension expense in the governmentwide statements. These increases were primarily offset by a decrease in the amount of internal service fund operating activity that was allocated to Judicial in 2016.

- Public works expenses increased by almost $4.3 million, of which approximately $0.8 million is attributable to increases in personal services due to pay increases and increases in employee benefits expenses. Just over $5.3 million is due to an increase in planning and maintenance activities in the Department of Transportation. About $1.9 million is due to an increase in indirect cost charges. These increases are primarily offset by a decrease in pension expense allocation recorded in the governmentwide statements in the amount of $3.7 million.

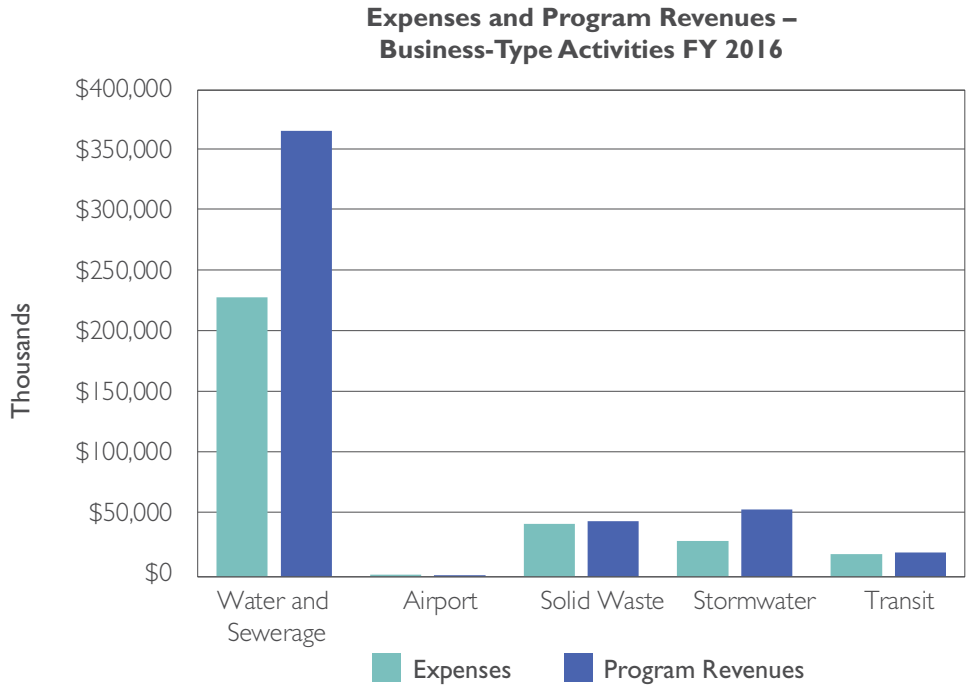


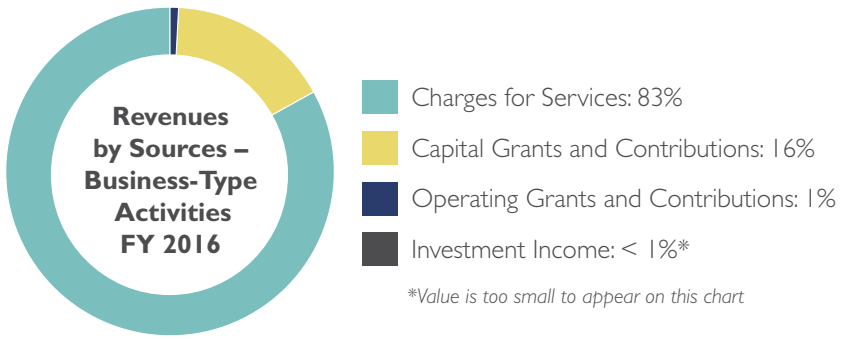


*Value is too small to appear on this chart

Business-type activities: Business-type activities increased the County's net position by $175,404,000, accounting for 79.3 percent of the total growth in the government's net position. Key elements of this increase were as follows:

- In 2016, Water and Sewerage Fund revenues were up approximately 4 percent, or $12.1 million, over the prior year. The increase was primarily attributable to a 10.9 percent increase in water consumption due to a very warm summer and several months of local drought conditions. Operating expenses increased 9.5 percent, or $17.5 million, from 2015. The increase is primarily attributable to a $10.4 million increase in professional services, a $3.9 million increase in indirect cost charge allocations, and a $3.1 million increase in personal services due to pay increases and increases in employee benefits expenses. In 2016, interest expense decreased $9.4 million due to the refunding of the 2006 and 2008 Water and Sewerage Revenue Bonds. This fund ended the year with an increase in net position of $139.6 million.
- The Stormwater Fund reported operating income of $6.5 million, which was $2.1 million higher than 2015. The fund ended the year with an increase in net position of $24,264,000, primarily due to an increase in capital asset contributions resulting from transportation projects in other funds, which is up $5.4 million over last year's increase.
- The Transit Fund reported an increase in net position of $7.9 million, which was an increase of approximately $5.3 million from the 2015 change in net position, primarily due to increases in capital contributions related to federal grants to purchase 28 buses. The increase was offset by a decrease in contributions/transfers from the General Fund.
- The Solid Waste Fund reported an increase in net position of $1.8 million, which was approximately $0.6 million less than the 2015 change in net position. There was an increase in operating revenues of approximately $0.5 million and an increase in operating expenses of $1.0 million.





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 and its performance in relation to the annual budget. 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 2016, the County's governmental funds reported combined ending fund balances of $975,709,000, an increase of $37,064,000 in comparison with the prior year. This increase is approximately $35.2 million less than the 2015 increase in fund balances. Overall, revenues were up $16.7 million, and expenditures were up $54.9 million.

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

- An increase in property tax revenues of $7.8 million due to a slight increase in property values
- An increase in permits and licenses of nearly $0.4 million as building activity increased
- An increase in charges for services of $2.8 million. Of this amount, $0.9 million was in tax commissions.
- An increase in sales tax revenues of $3.5 million
- An increase in insurance premium taxes of just over $2.0 million
- An increase in intergovernmental revenues of $3.5 million
- A decrease in fines of approximately $0.7 million
- A decrease in other miscellaneous revenues of $1.2 million

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

- An increase in estimated indirect cost allocations of approximately $15.4 million as a result of increased appropriations in the central service departments
- An increase in salaries and benefits of almost $17.4 million as a result of pay increases and increased benefits costs
- An increase in general operating expenses of almost $13.3 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 $115,467,000. 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 49.7 percent of General Fund expenditures. Total fund balance increased $3.8 million, as compared to an increase of $1.7 million in 2015. This increase in operating results is attributed to a combination of factors:

- A decrease in revenues of nearly $3.7 million, primarily due to slight decreases in motor vehicle *ad valorem* tax and miscellaneous revenues, offset by increases in real and personal property taxes, charges for services, and other taxes.
- An increase in expenditures of $21.7 million primarily due to an increase of $7.9 million in salaries and wages related to performance increases and additional positions, an increase in indirect cost allocations of 8.1 million, an increase in professional services of $1.9 million, and an increase in contributions to risk management internal service funds of $1.2 million due to increases in claims.

- A decrease in contributions/transfers to Transit Fund operations of $2.2 million
- A decrease in contributions/transfers to capital funds of $26.6 million
- An increase in transfers to the Police, Fire and EMS, and Development and Enforcement Service District Funds of $1.2 million for supplemental title *ad valorem* tax

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 2016, restricted fund balance was $47,433,000, which is above the required fund balance reserve of three months of normal operating expenditures and represents an increase of $2.1 million from the fiscal year 2015 fund balance. Revenues increased $5.4 million primarily due to the increase in property tax revenues. Expenditures increased $8.4 million primarily due to increases in salary and overtime and indirect cost allocations, offset by decreases in other financing uses of $4.0 million primarily due to decreases in contributions/transfers to the capital projects fund.

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 2016, restricted fund balance was $50,448,000, which is above the required fund balance reserve of three months operating expenditures and represents an increase of $5.0 million from the fiscal year 2015 fund balance. Revenues increased $4.0 million primarily due to increases in property tax, occupation tax, and insurance premium tax revenues offset by a slight decline in fines and forfeitures revenue. Expenditures increased $6.9 million mainly due salary increases and increased indirect cost allocations. Other financing uses decreased by $5.4 million primarily due to a decrease in contributions/transfers to the capital projects fund.

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 2016, the fund balance of the Other Capital Projects Fund was $239,828,000, representing an increase of $37.8 million from 2015. Expenditures exceeded revenues by $21.1 million, which was offset by transfers in of $59.4 million. Transfers were less than the prior year due to the reduced need for such transfers in 2016. Expenditures were $10.5 million lower in 2016 due to the timing of capital projects. Significant capital projects are discussed in the capital assets section of the analysis on page 32.

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 2016, the 2005 Sales Tax Fund reported a fund balance of $954,000. Fund expenditures exceeded revenues by $4.3 million. This is expected as sales tax revenues are no longer being collected under the 2005 program and the County is focused on spending down the fund balance to close the fund.

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 2016, the 2009 Sales Tax Fund reported a fund balance of $174,129,000. Expenditures exceeded revenues by $62.6 million. This is expected as sales tax revenues are no longer being collected under the 2009 program.

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 2016, the 2014 Sales Tax Fund reported a fund balance of $210,743,000. Revenues exceeded expenditures by $49.7 million. Sales tax revenues will be collected under the 2014 program until March 31, 2017.

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 2016 amounted to $263,646,000. This represents an increase of $17,592,000 in unrestricted net position from the end of the previous year. The total increase in net position was $139,576,000. Factors concerning the finances of this fund have already been addressed in the discussion of business-type activities on page 28.

General Fund Budgetary Highlights

The original fiscal year 2016 budget was adopted with a $16.8 million use of fund balance, including a $9.0 million reserve. As of December 31, 2016, there was a budgeted $23.0 million use of fund balance after amendments, including a $9.0 million reserve. Due to salary savings and other budget surpluses, this budgeted use of fund balance was not utilized and the fund ended the year with a contribution to fund balance of $4.5 million.

Differences between the original budget and the final amended budget, amount to a net increase in budgeted expenditures and transfers out of $4,707,000 and can be summarized as follows:

- Increase of $2.1 million across the Service Delivery Strategy funds (Police, Fire and EMS, Development and Enforcement) for the supplemental title *ad valorem* tax
- Increase of $2.7 million for indirect cost allocation reclassifications

General Fund Actual Revenues and Expenditures versus Budget

Actual revenues were almost $6.7 million above budget at the end of fiscal year 2016, which was primarily attributable to taxes exceeding budget by a net of $4,893,000 due to increasing property values and decreasing motor vehicle *ad valorem* taxes. Additionally, charges for services exceeded budget by $1,033,000, investment income exceeded budget by $413,000, intergovernmental revenues exceeded budget by $149,000, and miscellaneous revenues exceeded budget by $682,000. Fines and forfeitures was the only revenue category that ended the year under budget; fines and forfeitures ended the year $473,000 below budget.

Actual expenditures and transfers out were $20.8 million under budget at the end of fiscal year 2016. The main contributing factors were as follows:

- Personal services expenditures were $6.4 million under budget, primarily due to vacancies.
- General operating expenditures were $8.1 million under budget with the largest single line item being professional services, which was $3.8 million under budget. Other line items that were significantly under budget include road services, industrial supplies, industrial repair and maintenance, contracted utilities, license support agreements, and fuel.
- Contributions to the Fire and EMS Services District, Police Services District, Development and Enforcement Services District, and Grants Funds were under budget a little over $0.7 million.
- Unspent reserves and contingencies were $4.0 million.
- Indirect costs were under budget by $1.3 million due to the annual true-up of prior year estimated charges.



Capital Assets

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounted to $6,261,188,000 (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	
	2016	2015	2016	2015	2016	2015
Land	$ 746,116	$ 735,829	$ 71,384	$ 71,312	$ 817,500	$ 807,141
Improvements	339,312	312,306	2,562,340	2,500,029	2,901,652	2,812,335
Buildings	528,389	519,917	650,295	659,281	1,178,684	1,179,198
Equipment	46,054	54,859	239,230	229,473	285,284	284,332
Vehicles	47,400	37,068	24,968	11,609	72,368	48,677
Infrastructure (roads, bridges, and sidewalks)	756,540	762,587	4,704	4,925	761,244	767,512
Construction in progress	111,580	89,019	132,875	120,164	244,455	209,183
Total	$ 2,575,391	$ 2,511,585	$ 3,685,796	$ 3,596,793	$ 6,261,187	$ 6,108,378

Total capital assets for governmental activities for 2016 totaled $2,575,391,000 which is an increase of 63.8 million, or 2.5 percent, over 2015. The total of governmental assets transferred from construction in progress to the asset records during the year totaled approximately $106 million. Major projects consisted of the following:

- Level Creek Park: $12,864,348
- E. E. Robinson Park: $10,476,786
- South Gwinnett Park: $8,918,364
- Lilburn Branch Library Relocation: $6,816,795
- J. B. Williams Park: $6,047,417

Total capital assets for business-type activities for 2016 totaled $3,685,796,000, which is an increase of $89 million, or 2.5 percent, from 2015. The total of business-type assets that were transferred from construction in progress to the asset records during the year totaled approximately $129 million. Major projects consisted of the following:

- WRF Rehab Improvements Program: $20,813,606
- Biosolids Program: $20,064,099
- 2016 Drainage Improvements: $15,376,858
- Commuter/Local and ADA Buses: $12,722,314
- 2015 Drainage Improvements: $11,051,479

Additional information on the County's capital assets can be found in *Note 7* on pages 78 – 80 of this report.

Debt Administration

Long-Term Debt: At the end of the current fiscal year, the County had total bonded debt outstanding of $11,975,000 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 $691,950,000 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	
	2016	2015	2016	2015	2016	2015
General obligation bonds	$ 11,975	$ 15,665	$ –	$ –	$ 11,975	$ 15,665
Revenue bonds	–	–	691,950	745,485	691,950	745,485
Total	$ 11,975	$ 15,665	$ 691,950	$ 745,485	$ 703,925	$ 761,150

The County's total long-term bonds decreased by $57,225,000 during the current fiscal year due primarily to principal payments and refunding of the Water and Sewerage Revenue Bonds that were issued in 2006 and 2008.

The County maintains a 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 81 – 87 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 currently has $11,975,000 set aside for repayment of general obligation debt principal, which means the County has used none of its legal debt limitation of $2,754,463,000.

Economic Factors and Next Year's Budgets and Rates

As previously discussed in "Assessing the County's Economic Condition" in the Introductory section of this document, improvements in the housing, construction, and labor markets continue to indicate economic progress. The countywide tax digest has grown approximately 16.6 percent from 2013 to 2016, and county officials expect additional growth of 1.3 to 1.9 percent in 2017.

Gwinnett County took local economic factors and the County's strategic goals into consideration when preparing the fiscal year 2017 budget. Developed within the framework of the County's five-year financial plan, the total budget, including operating and capital, is $1,564,260,808, up from $1,480,847,361 in 2016. The fiscal year 2017 budget expands public safety and the judicial system, supports community needs, and addresses concerns about employee retention.

The 2017 operating budget totals $1,180,557,235 compared to $1,117,671,175 in 2016. The increases include new positions in the public safety and judicial areas, along with additional staff to improve traffic management, expand senior homemaking services, and enhance community outreach efforts. Workforce retention measures including a 4 percent pay-for-performance raise for eligible employees, the continuation of longevity pay, and revamped pay for public safety officers are also included in the budget. Cost saving measures such as continuing the 90-day vacancy policy and requiring justification for specific commitment items remain in effect for 2017.

The 2017 capital budget totals $383,703,573, up from $363,176,186 in 2016. With the approval of a six-year Special Purpose Local Option Sales Tax (SPLOST) renewal to begin April 1, 2017, an estimated $950 million is slated for County and city capital improvements in transportation, recreation, tourism, public safety, libraries, and senior services. Significant capital improvements projects funded by SPLOST programs in 2017 include a courthouse expansion at the Gwinnett Justice and Administration Center, a new gym at George Pierce Park plus expansions and improvements at other parks, and renovations at the senior center housed in the Norcross Human Services Center.

The Chairman's Budget Review Team made recommendations for the fiscal year 2017 budget focusing on priorities set by Commissioners during a strategic planning session held in May 2016. The strategic priorities identified at the planning session include public safety and the judicial system, water resources, community needs, and workforce retention. From August 29 through September 1, 2016, departments and elected officials presented their business plans to the Chairman and the review team for consideration. The budget review team, together with the County's financial staff, studied departmental business plans, budget needs, and revenue projections and made recommendations for the 2017 budget that align with the priorities identified at the strategic planning session. Departmental business plans and budget presentations made to the budget review team may be viewed at www.tvgwinnett.com under *Video on Demand – Budget Review Meetings*.

The Chairman's Budget Review Team was made up of six county citizens as well as participating departmental and agency representatives. The citizen members of the budget review team were Lisa Burleson, David Cuffie, Norwood Davis, Kevin Do, Burt Manning, and Santiago Marquez. David Cuffie and Kevin Do were new members of the team this year while Lisa Burleson, Burt Manning, and Santiago Marquez were veterans of last year's team returning for another year of service. Davis was also a veteran who last served on the team three years ago. Cuffie is CEO of Total Vision Consulting LLC. Do, a volunteer with the Vietnamese American Community of Georgia, is a realtor with ReMax Grand South. Davis is CFO of 12Stone Church, Burleson is a retired district level administrator from Gwinnett County Public Schools, Manning is a retired real estate appraiser and assessment administrator, and Marquez is CFO/VP of the Georgia Hispanic Chamber of Commerce. Burleson and Cuffie are alumni of Gwinnett 101 Citizens Academy, a County program that gives residents a behind-the-scenes look at county government. We would like to thank these individuals for their time spent considering the many budget proposals.



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, 2016
(in thousands of dollars)

	Primary Government			
	Governmental Activities	Business–type Activities	Total	Component Units
ASSETS:				
Cash and cash equivalents	$ 514,244	215,069	729,313	17,569
Investments	146,469	26,517	172,986	–
Receivables, net of allowance	25,827	38,390	64,217	936
Internal balances	655	(655)	–	–
Due from other governments	54,304	349	54,653	2,233
Due from primary government	–	–	–	1,782
Inventories	1,877	3,062	4,939	–
Prepaid items	7,661	300	7,961	–
Net OPEB asset	36,896	–	36,896	–
Lease receivable	368	–	368	–
Lease receivable from primary government	–	–	–	81,435
Noncurrent investments	401,043	150,302	551,345	–
Restricted assets:				
Cash and cash equivalents	–	41,218	41,218	–
Other assets	–	562	562	–
Capital assets:				
Land and construction in progress	857,696	204,259	1,061,955	–
Other capital assets, net of depreciation	1,717,695	3,481,537	5,199,232	2,712
Total assets	3,764,735	4,160,910	7,925,645	106,667
DEFERRED OUTFLOWS OF RESOURCES:				
Pension experience differences	4,848	663	5,511	245
Pension assumption changes	20,749	2,837	23,586	426
Pension investment differences	43,808	5,989	49,797	2,078
Proportionate share of pension contributions	–	–	–	252
Pension contributions subsequent to the measurement date	–	–	–	3,151
Deferred charge on refunding of bonds	117	18,085	18,202	215
Total deferred outflows of resources	69,522	27,574	97,096	6,367
LIABILITIES:				
Current liabilities:				
Accounts payable	32,436	33,420	65,856	3,216
Retainage payable	6,944	2,057	9,001	–
Other accrued payables	15,161	1,949	17,110	565
Customer deposits	–	3,951	3,951	–
Accrued interest payable	1,782	9,300	11,082	–
Due to others	522	299	821	–
Due to other governments	349	–	349	–
Unearned revenue	17	42,481	42,498	58
Noncurrent liabilities:				
Due within one year	27,859	72,569	100,428	4,229
Due in more than one year	374,719	720,352	1,095,071	115,585
Total liabilities	459,789	886,378	1,346,167	123,653
DEFERRED INFLOWS OF RESOURCES:				
Pension experience differences	–	–	–	209
Pension investment differences	–	–	–	1,159
Proportionate share of pension contributions	–	–	–	1,064
Total deferred inflows of resources	–	–	–	2,432
NET POSITION:				
Net investment in capital assets	2,474,706	2,949,587	5,424,293	2,122
Restricted for:				
Capital projects	385,826	–	385,826	–
Debt service	19,346	27,968	47,314	–
Special programs	221,718	–	221,718	–
Health programs	–	–	–	6,137
Unrestricted	272,872	324,551	597,423	(21,310)
Total net position	$ 3,374,468	3,302,106	6,676,574	(13,051)

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

Statement of Activities

Year Ended December 31, 2016

(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	$ 42,353	10,750	576	293	(30,734)	–	(30,734)	–
Public safety	279,861	37,394	1,145	681	(240,641)	–	(240,641)	–
Judiciary	168,308	28,145	4,297	293	(135,573)	–	(135,573)	–
Public works	100,209	7,239	564	21,349	(71,057)	–	(71,057)	–
Health and welfare	9,707	11	1,854	253	(7,589)	–	(7,589)	–
Culture and recreation	80,377	5,105	198	1,350	(73,724)	–	(73,724)	–
Housing and development	23,604	10,174	149	9,523	(3,758)	–	(3,758)	–
Tourism	3,017	–	–	–	(3,017)	–	(3,017)	–
Development authority	4,586	–	–	–	(4,586)	–	(4,586)	–
Interest on long-term debt	197	–	–	–	(197)	–	(197)	–
Total governmental activities	712,219	98,818	8,783	33,742	(570,876)	–	(570,876)	–
Business-type activities:								
Water and sewer	227,738	318,056	–	46,538	–	136,856	136,856	–
Airport	1,286	922	–	3	–	(361)	(361)	–
Solid waste	41,488	43,219	–	–	–	1,731	1,731	–
Stormwater	27,057	31,587	56	19,599	–	24,185	24,185	–
Transit	17,315	3,655	5,284	10,119	–	1,743	1,743	–
Total business-type activities	314,884	397,439	5,340	76,259	–	164,154	164,154	–
Total primary government	$ 1,027,103	496,257	14,123	110,001	(570,876)	164,154	(406,722)	–
Component units:	$ 48,496	8,249	20,970	–	–	–	–	(19,277)
General revenues:								
Property taxes					392,669	–	392,669	–
Sales taxes					150,031	–	150,031	–
Hotel motel taxes					9,618	–	9,618	–
Insurance premium tax					35,974	–	35,974	–
Business taxes					20,898	–	20,898	–
Other taxes					8,902	–	8,902	–
Lease interest income – development authority					–	–	–	4,417
Intergovernmental revenue from primary government, not restricted for specific programs					–	–	–	16,451
Intergovernmental revenue from State of Georgia, not restricted for specific programs					–	–	–	1,129
Investment income					1,301	791	2,092	18
Miscellaneous					7,656	–	7,656	6
Total general revenues					627,049	791	627,840	22,021
Transfers					(10,459)	10,459	–	–
Total general revenues and transfers					616,590	11,250	627,840	22,021
Change in net position					45,714	175,404	221,118	2,744
Net position – beginning					3,328,754	3,126,702	6,455,456	(15,795)
Net position – ending					$ 3,374,468	3,302,106	6,676,574	(13,051)

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

Governmental Funds Balance Sheet

December 31, 2016
(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	$ 83,849	22,812	25,090	120,083	1,806	84,135	74,286	78,824	490,885
Investments	67,264	26,108	27,756	121,399	–	93,293	133,400	23,313	492,533
Receivables, net of allowance:									
Taxes	4,836	1,893	727	–	–	–	–	1,205	8,661
Accounts	385	5,342	817	426	1	7,555	452	853	15,831
Due from other funds	1,925	–	–	–	–	–	–	–	1,925
Due from other governments	–	–	33,930	–	32	33	15,416	4,893	54,304
Inventories	1,242	–	–	–	–	–	–	209	1,451
Prepaid items	3,873	89	510	–	–	12	–	76	4,560
Total assets	$ 163,374	56,244	88,830	241,908	1,839	185,028	223,554	109,373	1,070,150
LIABILITIES:									
Accounts payable	$ 4,693	474	610	1,943	857	5,789	11,054	1,795	27,215
Due to other governments	–	–	–	–	–	–	–	349	349
Payroll payable	5,809	3,266	2,760	–	–	–	–	1,770	13,605
Retainage payable	–	–	–	49	28	5,110	1,757	–	6,944
Due to other funds	–	–	–	–	–	–	–	1,925	1,925
Due to others	247	–	59	88	–	–	–	128	522
Total liabilities	10,749	3,740	3,429	2,080	885	10,899	12,811	5,967	50,560
DEFERRED INFLOWS OF RESOURCES:									
Unavailable revenue	3,565	4,982	34,443	–	–	–	–	891	43,881
Total deferred inflows of resources	3,565	4,982	34,443	–	–	–	–	891	43,881
FUND BALANCES:									
Nonspendable	5,115	89	510	–	–	12	–	285	6,011
Restricted	–	47,433	50,448	–	954	174,117	210,743	101,983	585,678
Committed	–	–	–	–	–	–	–	247	247
Assigned	28,478	–	–	239,828	–	–	–	–	268,306
Unassigned	115,467	–	–	–	–	–	–	–	115,467
Total fund balance	149,060	47,522	50,958	239,828	954	174,129	210,743	102,515	975,709
Total liabilities, deferred inflows of resources and fund balances	$ 163,374	56,244	88,830	241,908	1,839	185,028	223,554	109,373	1,070,150

The notes to the basic 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, 2016
(in thousands of dollars)

Fund balances – total governmental funds		$ 975,709
Amounts reported for governmental activities in the statement of net position are different because:		
Net OPEB asset is not recorded on the fund financial statements.		36,896
Long-term accounts receivable are not current financial resources and therefore are not reported in the governmental funds.		
Lease receivable	$ 368	
Long-term accounts receivable	264	
		632
Capital assets are not reported in fund statements.		
Capital assets used in government activities are not current financial resources and therefore are not reported in the government funds.	2,574,574	
Capital assets used in internal service funds are reported in the governmental activities column of the governmentwide statement of net position.	817	
		2,575,391
Deferred outflows for governmental activities are not current financial resources and therefore are not reported in the governmental funds		
Pension experience difference	4,848	
Pension assumption change	20,749	
Pension investment difference	43,808	
Deferred loss on bond refunding	117	
		69,522
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	(11,975)	
Premiums on bonds payable	(448)	
Lease payable to component unit	(81,435)	
Accrued leave	(22,092)	
Estimated claims payable	(10,816)	
		(126,766)
Net pension liability is not recorded on the fund financial statements.		(275,812)
Revenue deferred in the governmental funds due to availability criteria is susceptible to full accrual on the governmentwide statements.		
Property tax	6,101	
Special assessments	211	
Insurance premium tax	33,930	
Public safety – EMS	3,639	
		43,881
Interest payable on capital lease to component unit is not accrued in the fund statements.		(1,782)
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	46,430	
Less items accounted for above:		
Capital assets	(817)	
Pension experience differences	(397)	
Pension assumption differences	(1,699)	
Pension investment differences	(3,587)	
Net pension liability	22,588	
Plus accrued leave already accounted for above	2,808	
Plus claims payable already accounted for above	10,816	
Plus amount due from enterprise funds	655	
		76,797
Net position of governmental activities		$ 3,374,468

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

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

Year Ended December 31, 2016

(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	$ 225,540	88,448	96,871	–	–	–	150,031	54,339	615,229
Permits and licenses	–	918	4,159	–	–	–	–	4,325	9,402
Intergovernmental	3,534	767	274	155	–	13,635	6,620	14,504	39,489
Charges for services	25,424	15,793	1,337	–	–	–	–	32,185	74,739
Fines and forfeitures	4,022	–	9,203	123	–	–	–	1,796	15,144
Investment income (loss)	223	216	(74)	458	13	2,003	757	324	3,920
Miscellaneous	1,939	89	408	1,453	–	17	93	3,669	7,668
Total revenues	260,682	106,231	112,178	2,189	13	15,655	157,501	111,142	765,591
EXPENDITURES:									
Current operating:									
General government	26,951	–	121	–	–	–	–	–	27,072
Public safety	23,743	93,722	79,189	–	–	–	–	18,075	214,729
Judiciary	138,014	–	3,881	–	–	–	–	2,658	144,553
Public works	14,787	–	–	–	–	–	–	7,227	22,014
Health and welfare	7,490	–	–	–	–	–	–	–	7,490
Culture and recreation	18,844	–	–	–	–	–	–	28,473	47,317
Housing and development	2,501	645	731	–	–	–	–	5,828	9,705
Tourism	–	–	–	–	–	–	–	3,017	3,017
Development authority	–	–	–	–	–	–	–	7,696	7,696
Grant programs	–	–	–	–	–	–	–	15,111	15,111
Capital outlay	79	407	31	23,246	4,328	78,249	76,151	855	183,346
Debt service	–	–	–	–	–	–	–	4,188	4,188
Intergovernmental	98	–	–	–	–	–	31,657	4,192	35,947
Total expenditures	232,507	94,774	83,953	23,246	4,328	78,249	107,808	97,320	722,185
Revenues in excess of (less than) expenditures	28,175	11,457	28,225	(21,057)	(4,315)	(62,594)	49,693	13,822	43,406
OTHER FINANCING SOURCES (USES):									
Transfers in	280	5,704	2,852	59,431	–	–	–	1,403	69,670
Transfers out	(24,614)	(15,069)	(26,091)	(584)	–	–	–	(9,654)	(76,012)
Other financing sources (uses), net	(24,334)	(9,365)	(23,239)	58,847	–	–	–	(8,251)	(6,342)
Net change in fund balances	3,841	2,092	4,986	37,790	(4,315)	(62,594)	49,693	5,571	37,064
Fund balances – January 1	145,219	45,430	45,972	202,038	5,269	236,723	161,050	96,944	938,645
Fund balances – December 31	$ 149,060	47,522	50,958	239,828	954	174,129	210,743	102,515	975,709

The notes to the basic 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, 2016
(in thousands of dollars)

Net change in fund balances – total governmental funds		$ 37,064
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	$ 183,346	
Capital expenditures reclassified as expense	(36,082)	
Depreciation expense – general capital assets	(90,081)	
		57,183
Contributions of capital assets are not recorded in governmental funds.		8,458
The loss on disposition of capital assets is not reported in the fund statements.		(1,738)
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.		3,690
The current years change in the net pension liability and the related deferred inflows and outflows of resources increases net expenses of pensionable functions on the governmentwide statements.		(59,718)
The current years increase in the net OPEB asset decreases net expenses of the functions on the governmentwide statements.		3,272
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		(86)
Amortization of premium on bonds		331
Accrued interest payable is not included on the fund financial statements.		56
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.		3,110
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.		(6,054)
Accrued expenses related to compensated absences are not reported in the fund statements.		(2,237)
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.		2,395
Change in net position of governmental activities		$ 45,714

The notes to the basic 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, 2016

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non–GAAP budget basis)	Variance–positive (negative)
REVENUES:				
Taxes	$ 222,076	220,647	225,540	4,893
Intergovernmental	3,632	3,385	3,534	149
Charges for services	24,315	24,391	25,424	1,033
Fines and forfeitures	4,495	4,495	4,022	(473)
Investment income	547	547	960	413
Miscellaneous	1,146	1,257	1,939	682
Total revenues	256,211	254,722	261,419	6,697
EXPENDITURES:				
Current operating:				
General government:				
Board of Commissioners	630	639	564	75
County Administration	–	486	272	214
Financial services	8,071	7,981	7,775	206
Tax commissioner	13,188	13,188	11,801	1,387
Total general government	21,889	22,294	20,412	1,882
Public safety:				
Police services	6,072	6,165	5,525	640
Correctional services	14,286	15,190	14,288	902
Total public safety	20,358	21,355	19,813	1,542
Judiciary:				
Courts	38,792	46,920	44,997	1,923
District attorney	12,618	12,224	11,903	321
Sheriff	78,617	80,546	77,298	3,248
Solicitor	4,033	4,167	3,836	331
Total judiciary	134,060	143,857	138,034	5,823
Public works	16,196	16,457	14,792	1,665
Health and welfare:				
Physical health	1,564	1,564	1,564	–
Indigent medical care	225	225	225	–
Gwinnett Sexual Assault Center	117	117	117	–
Various subsidized agencies	2,381	2,381	2,355	26
General community services	15,221	15,378	11,017	4,361
Total health and welfare	19,508	19,665	15,278	4,387
Culture and recreation:				
Library	17,252	17,242	17,097	145
Total culture and recreation	17,252	17,242	17,097	145
Housing and development:				
Planning and development	863	604	508	96
Total housing and development	863	604	508	96
Miscellaneous	19,924	11,118	6,573	4,545
Total expenditures	250,050	252,592	232,507	20,085
Revenues in excess of expenditures	6,161	2,130	28,912	26,782
OTHER FINANCING SOURCES (USES):				
Transfers in	165	165	280	115
Transfers out	(23,153)	(25,318)	(24,614)	704
Other financing sources (uses), net	(22,988)	(25,153)	(24,334)	819
Revenues and other financing sources more (less) than expenditures and other financing uses	(16,827)	(23,023)	4,578	27,601
Fund balance allocation	16,827	23,023	–	(23,023)
Fund balance – January 1	–	–	145,430	145,430
Fund balance – December 31	$ –	–	150,008	150,008

The notes to the basic 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, 2016
(in thousands of dollars)

	Original Budget	Final Budget	Actual (non–GAAP budget basis)	Variance–positive (negative)
REVENUES:				
Taxes	$ 81,135	80,400	88,448	8,048
Permits and licenses	791	791	918	127
Intergovernmental	381	484	767	283
Charges for services	15,574	15,574	15,793	219
Investment income	126	126	196	70
Miscellaneous	31	36	89	53
Total revenues	98,038	97,411	106,211	8,800
EXPENDITURES:				
Current operating:				
Public safety:				
Fire and emergency services	98,393	84,604	79,197	5,407
Total public safety	98,393	84,604	79,197	5,407
Housing and development:				
Planning and development	653	689	645	44
Total housing and development	653	689	645	44
Miscellaneous	2,052	16,052	14,932	1,120
Total expenditures	101,098	101,345	94,774	6,571
Revenues in excess of expenditures	(3,060)	(3,934)	11,437	15,371
OTHER FINANCING SOURCES (USES):				
Transfers in	4,842	6,140	5,704	(436)
Transfers out	(1,089)	(15,089)	(15,069)	20
Other financing sources (uses), net	3,753	(8,949)	(9,365)	(416)
Revenues and other financing sources more (less) than expenditures and other financing uses	693	(12,883)	2,072	14,955
Fund balance allocation	(693)	12,883	–	(12,883)
Fund balance – January 1	–	–	45,472	45,472
Fund balance – December 31	$ –	–	47,544	47,544

The notes to the basic 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, 2016
(in thousands of dollars)

	Original Budget	Final Budget	Actual (non–GAAP budget basis)	Variance–positive (negative)
REVENUES:				
Taxes	$ 84,211	89,548	96,871	7,323
Permits and licenses	4,017	4,017	4,159	142
Intergovernmental	160	160	274	114
Charges for servics	1,223	1,223	1,337	114
Fines and forfeitures	10,885	10,085	9,203	(882)
Investment income	198	198	358	160
Miscellaneous	336	352	408	56
Total revenues	101,030	105,583	112,610	7,027
EXPENDITURES:				
Current operating:				
Public safety:				
Police services	85,174	64,068	55,624	8,444
Total public safety	85,174	64,068	55,624	8,444
Judiciary:				
Courts	1,655	1,655	1,471	184
Solicitor	650	651	562	89
Recorder's court	1,567	1,871	1,848	23
Total judiciary	3,872	4,177	3,881	296
Housing and development:				
Planning and development	722	752	731	21
Total housing and development	722	752	731	21
Miscellaneous	7,593	24,999	23,717	1,282
Total expenditures	97,361	93,996	83,953	10,043
Revenues in excess of expenditures	3,669	11,587	28,657	17,070
OTHER FINANCING SOURCES (USES):				
Transfers in	2,421	3,070	2,852	(218)
Transfers out	(6,091)	(26,091)	(26,091)	–
Other financing sources (uses), net	(3,670)	(23,021)	(23,239)	(218)
Revenues and other financing sources more (less) than expenditures and other financing uses	(1)	(11,434)	5,418	16,852
Fund balance allocation	1	11,434	–	(11,434)
Fund balance – January 1	–	–	45,963	45,963
Fund balance – December 31	$ –	–	51,381	51,381

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

Proprietary Funds Statement of Net Position

December 31, 2016
(in thousands of dollars)

	Enterprise Funds				
	Water and Sewerage	Stormwater	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS:					
Current assets:					
Cash and cash equivalents	$ 157,069	16,070	41,930	215,069	23,359
Investments	17,729	–	8,788	26,517	23,438
Accounts receivable, net of allowance	34,474	1,090	2,826	38,390	1,071
Due from other governments	–	37	312	349	–
Inventories	3,062	–	–	3,062	426
Prepaid items	252	41	7	300	3,101
Restricted cash and cash equivalents	41,218	–	–	41,218	–
Other assets	562	–	–	562	–
Total current assets	254,366	17,238	53,863	325,467	51,395
Noncurrent assets:					
Investments	103,497	26,904	19,901	150,302	31,541
Land and construction in progress	185,405	4,231	14,623	204,259	336
Other capital assets, net of depreciation	2,998,906	449,481	33,150	3,481,537	481
Total noncurrent assets	3,287,808	480,616	67,674	3,836,098	32,358
Total assets	3,542,174	497,854	121,537	4,161,565	83,753
DEFERRED OUTFLOWS OF RESOURCES:					
Pension experience difference	581	76	6	663	397
Pension assumption change	2,485	328	24	2,837	1,699
Pension investment return	5,247	692	50	5,989	3,587
Deferred charge on refunding of bonds	18,085	–	–	18,085	–
Total deferred outflows of resources	26,398	1,096	80	27,574	5,683
LIABILITIES:					
Current liabilities:					
Accounts payable	23,864	3,751	5,805	33,420	5,221
Payroll payable	1,696	200	53	1,949	1,556
Retainage payable	1,935	111	11	2,057	–
Accumulated leave benefits – current	1,681	189	50	1,920	1,704
Estimated claims payable – current	–	–	–	–	5,461
Customer deposits payable	3,951	–	–	3,951	–
Accrued interest payable – from restricted assets	9,300	–	–	9,300	–
Due to others	–	248	51	299	–
Notes payable – current	2,471	238	–	2,709	–
Revenue bonds payable – current – from restricted assets	67,940	–	–	67,940	–
Unearned revenue	129	–	42,352	42,481	17
Total current liabilities	112,967	4,737	48,322	166,026	13,959
Noncurrent liabilities:					
Accumulated leave benefits	905	109	36	1,050	1,104
Estimated claims payable	–	–	–	–	5,355
Notes payable	36,014	3,968	–	39,982	–
Revenue bonds payable	641,606	–	–	641,606	–
Net pension liability	33,036	4,357	321	37,714	22,588
Total noncurrent liabilities	711,561	8,434	357	720,352	29,047
Total liabilities	824,528	13,171	48,679	886,378	43,006
NET POSITION:					
Net investment in capital assets	2,452,430	449,395	47,762	2,949,587	817
Restricted for debt service	27,968	–	–	27,968	–
Unrestricted	263,646	36,384	25,176	325,206	45,613
Total net position	$ 2,744,044	485,779	72,938	3,302,761	46,430
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(655)	
Net position of business-type activities				$ 3,302,106	

The notes to the basic 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, 2016

(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	$ 305,826	–	–	305,826	–
Wholesale service	4,999	–	–	4,999	–
Public fire protection charges	686	–	–	686	–
Connection charges	1,498	–	–	1,498	–
Operating lease income and rental income from individual hangars	–	–	920	920	–
Charges to other funds	–	–	–	–	114,028
Employee contributions	–	–	–	–	4,806
User fees and charges	–	31,545	46,611	78,156	–
Miscellaneous	5,047	42	265	5,354	2,832
Total operating revenues	318,056	31,587	47,796	397,439	121,666
OPERATING EXPENSES:					
Water production	15,322	–	–	15,322	–
Distribution and collection	32,802	–	–	32,802	–
Engineering	5,112	–	–	5,112	–
Reclamation	35,708	–	–	35,708	–
Vehicle maintenance and repair	–	–	–	–	4,093
Benefit claims	–	–	–	–	25,635
Insurance premiums	–	–	–	–	29,916
Depreciation and amortization	81,671	15,643	3,034	100,348	165
Transit operations	–	–	15,063	15,063	–
General and administrative	31,890	9,411	42,136	83,437	66,151
Total operating expenses	202,505	25,054	60,233	287,792	125,960
Operating income (loss)	115,551	6,533	(12,437)	109,647	(4,294)
NON-OPERATING REVENUES (EXPENSES):					
Intergovernmental	–	56	5,284	5,340	–
Investment earnings	272	321	198	791	155
Interest expense	(25,589)	(131)	–	(25,720)	–
Loss on disposal of capital assets	(1,526)	(2,139)	–	(3,665)	–
Total non-operating revenues (expenses)	(26,843)	(1,893)	5,482	(23,254)	155
Income (loss) before transfers and contributions	88,708	4,640	(6,955)	86,393	(4,139)
Capital contributions	51,033	19,599	10,122	80,754	–
Transfers in	–	25	6,104	6,129	488
Transfers out	(165)	–	–	(165)	(110)
Change in net position	139,576	24,264	9,271	173,111	(3,761)
Net position – January 1	2,604,468	461,515	63,667		50,191
Net position – December 31	$ 2,744,044	485,779	72,938		46,430
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				2,293	
Change in net position of business-type activities				$ 175,404	

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

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2016

(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	$ 317,097	31,498	46,712	395,307	121,499
Cash payments to suppliers for goods and services	(74,793)	(4,004)	(55,896)	(134,693)	(27,837)
Cash payments to employees for services	(31,282)	(5,150)	(1,196)	(37,628)	(35,836)
Claims and premiums paid	–	–	–	–	(53,339)
Net cash flows provided/(required) by operating activities	211,022	22,344	(10,380)	222,986	4,487
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating grants	–	–	6,028	6,028	–
Transfers from other funds	–	25	6,104	6,129	488
Transfers (to) other funds	(165)	–	–	(165)	(110)
Net cash provided/(required) by noncapital activities	(165)	25	12,132	11,992	378
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants	545	–	10,119	10,664	–
Acquisition and construction of capital assets	(106,756)	(26,077)	(13,017)	(145,850)	(333)
Proceeds from sale of capital assets	235	1	4	240	–
Principal payments – revenue bonds	(65,430)	–	–	(65,430)	–
Proceeds from refunding bond issuance	241,879	–	–	241,879	–
Payment of bond issue costs	(430)	–	–	(430)	–
Payments to escrow agent	(242,955)	–	–	(242,955)	–
Principal payments – notes payable	(2,398)	(231)	–	(2,629)	–
Interest paid	(28,373)	(130)	–	(28,503)	–
Payments of contract retention	(286)	–	–	(286)	–
Capital contributed by others	21,847	–	–	21,847	–
Net cash (required) by capital and related financing activities	(182,122)	(26,437)	(2,894)	(211,453)	(333)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from the sale of investments	212,469	26,086	32,215	270,770	53,599
Purchase of investments	(213,050)	(22,020)	(30,573)	(265,643)	(65,325)
Investment earnings	340	370	196	906	155
Net cash provided/(required) by investing activities	(241)	4,436	1,838	6,033	(11,571)
Net (decrease) in cash and cash equivalents	28,494	368	696	29,558	(7,039)
Cash and cash equivalents at beginning of year	169,793	15,702	41,234	226,729	30,398
Cash and cash equivalents at end of year	$ 198,287	16,070	41,930	256,287	23,359
Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:					
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	$ 115,551	6,533	(12,437)	109,647	(4,294)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:					
Depreciation and amortization	81,671	15,643	3,034	100,348	165
CHANGE IN ASSETS AND LIABILITIES:					
Changes in net pension liability and related deferred inflows of resources	7,791	849	(37)	8,603	5,505
(Increase) in receivables	(992)	(88)	(1,475)	(2,555)	(167)
Decrease in inventories	123	–	–	123	(93)
(Increase) decrease in prepaid items	139	(26)	(6)	107	(862)
Increase (decrease) in payables	5,997	(723)	66	5,340	1,324
Increase in other liabilities	323	127	83	533	2,909
Increase (decrease) in unearned revenue	(33)	(2)	392	357	–
Increase in payroll payables	386	31	–	417	–
Decrease in customer deposits	66	–	–	66	–
Net cash provided/(required) by operating activities	$ 211,022	22,344	(10,380)	222,986	4,487
Non-cash capital contributed by others	$ 21,787	19,599	–	41,386	–

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

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2016
(in thousands of dollars)

	Agency Funds	Pension (and Other Employee Benefit) Trust Funds
ASSETS:		
Cash and cash equivalents	$ 38,399	108,996
Investments, at fair value:		
U.S. treasury bonds	–	93,905
Asset-backed securities	–	21,509
U.S. governmental agencies	–	44,530
Commercial mortgage-backed securities	–	10,048
Futures contracts	–	20
Corporate bonds	–	77,318
Collateralized mortgage obligations	–	18,263
Corporate equities	–	427,494
International equities	–	175,420
Preferred stock	–	1,038
Global fixed income	–	67,732
Total investments	–	937,277
Securities lending collateral investment pool	–	83,760
Contributions receivable from employer	–	18
Prepaid assets	–	5,517
Taxes receivable	17,050	–
Total assets	$ 55,449	1,135,568
LIABILITIES:		
Accounts payable	$ –	2,949
Liability for securities lending agreement	–	83,760
Due to others	55,449	–
Total liabilities	$ 55,449	86,709
NET POSITION:		
Net position – restricted for pension benefits		925,851
Net position – restricted for other employee benefits		123,008
Total net position		$ 1,048,859

The notes to the basic 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, 2016
(in thousands of dollars)

ADDITIONS:		
Contributions:		
Employer	$	41,293
Employee		11,664
Total contributions		52,957
Investment income:		
Net decrease in the fair value of investments		45,416
Securities lending income		248
Interest and dividends		22,426
		68,090
Less – Investment expense		(4,358)
Securities lending expense		(16)
Net investment loss		63,716
Total additions		116,673
DEDUCTIONS:		
Benefits paid		72,959
Insurance premiums		7,239
Administrative expenses		1,417
Total deductions		81,615
Net increase in fiduciary net position		35,058
Net position – restricted for pension and other employee benefits:		
Beginning of year		1,013,801
End of year	$	1,048,859

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

Component Units Combining Statement of Net Position

December 31, 2016
(in thousands of dollars)

	Public Library	Development Authority	Health Department	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 6,536	792	10,241	17,569
Receivables, net of allowance	936	–	–	936
Lease receivable from primary government, current portion	–	3,260	–	3,260
Due from primary government	–	1,782	–	1,782
Due from other governments	–	–	2,233	2,233
Total current assets	7,472	5,834	12,474	25,780
Noncurrent assets:				
Lease receivable from primary government	–	78,175	–	78,175
Capital assets, net of depreciation	1,412	–	1,300	2,712
Total noncurrent assets	1,412	78,175	1,300	80,887
Total assets	8,884	84,009	13,774	106,667
DEFERRED OUTFLOWS OF RESOURCES:				
Pension experience differences	245	–	–	245
Pension assumption changes	426	–	–	426
Pension investment differences	2,078	–	–	2,078
Proportionate share of pension contributions	12	–	240	252
Pension contributions subsequent to the measurement date	619	–	2,532	3,151
Deferred charge on refunding of bonds	–	215	–	215
Total deferred outflows of resources	3,380	215	2,772	6,367
LIABILITIES:				
Current liabilities:				
Accounts payable	314	1,782	1,120	3,216
Accrued salaries and related payments	565	–	–	565
Unearned revenue	–	–	58	58
Total current liabilities	879	1,782	1,178	3,839
Noncurrent liabilities:				
Due within one year	301	3,260	668	4,229
Due in more than one year	17,578	81,761	16,246	115,585
Total noncurrent liabilities	17,879	85,021	16,914	119,814
Total liabilities	18,758	86,803	18,092	123,653
DEFERRED INFLOWS OF RESOURCES:				
Pension experience differences	81	–	128	209
Pension investment differences	–	–	1,159	1,159
Proportionate share of pension contributions	729	–	335	1,064
Total deferred inflows of resources	810	–	1,622	2,432
NET POSITION:				
Net investment in capital assets	822	–	1,300	2,122
Restricted for health programs	–	–	6,137	6,137
Unrestricted	(8,126)	(2,579)	(10,605)	(21,310)
Total net position (deficit)	$ (7,304)	(2,579)	(3,168)	(13,051)

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

Component Units Combining Statement of Activities

Year Ended December 31, 2016

(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	$ 19,711	1,400	927	(17,384)	–	–	(17,384)
Development authority	5,078	110	1,000	–	(3,968)	–	(3,968)
Health department	23,707	6,739	19,043	–	–	2,075	2,075
Total component units	$ 48,496	8,249	20,970	(17,384)	(3,968)	2,075	(19,277)
General Revenues:							
Lease interest income – development authority				–	4,417	–	4,417
Intergovernmental revenue from primary government, not restricted for specific programs				16,451	–	–	16,451
Intergovernmental revenue from State of Georgia, not restricted for specific programs				1,129	–	–	1,129
Investment income				16	2	–	18
Miscellaneous				6	–	–	6
Total general revenues				17,602	4,419	–	22,021
Change in net position				218	451	2,075	2,744
Net position (deficit) – beginning				(7,522)	(3,030)	(5,243)	(15,795)
Net position (deficit) – ending			$	(7,304)	(2,579)	(3,168)	(13,051)

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

DID YOU KNOW...

In 2016,
Gwinnett County's Purchasing Division
negotiated **cost savings of**
approximately $2.5 million on contracts.

purchasing
gwinnettcounty

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, 2016, the authority had no assets, liabilities, or fund equity. In addition, during 2016, 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, 2016, the authority had no assets, liabilities, or fund equity. In addition, during 2016, 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, 2016, the authority had no assets, liabilities, or fund equity. In addition, during 2016, the authority had no revenues or expenses.

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 finance, construct, expand, improve, and maintain stormwater management systems and facilities for the County. 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, 2016, the authority had no assets, liabilities, or fund equity. In addition, during 2016, 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. 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 2016 activity of the Water and Sewerage Authority included refunding bonds and debt service on bonds. This activity is reported in the Water and Sewerage Fund financial statements.

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 December 31. 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 Infinite Energy Center (formerly 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 Infinite Energy 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 6.1 percent of the board's revenues during its fiscal year ended June 30, 2016. 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, 2016.

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 $861,800 to the ARC for the year ended December 31, 2016. 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 2016, the County has recorded a $33.9 million receivable and unavailable revenue for insurance premium tax due from the state of Georgia for taxes collected in 2016, which will be paid to the County in 2017. The County has recorded a $6.3 million receivable and unavailable revenue for property taxes and special assessments levied in 2016 and prior years, but expected to be collected in 2017 (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 2016 but expected to be collected in 2017 (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. The County's non-participating interest-earning investment contracts are recorded at cost. The remaining investments are carried at fair 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. Georgia Fund 1 operates as a stable asset value investment pool and is rated AAAf by Standard and Poor's. 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 pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the County's investment in Georgia Fund 1 is reported at fair value. The County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. *(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.

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. Donated capital assets are recorded at their acquisition 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 2016.

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 represent 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 reports the deferred charge on debt refunding and pension experience differences, pension assumption changes, and pension investment returns differences as deferred outflows of resources in the proprietary funds and the governmentwide statement of net position. A deferred charge on debt 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. Pension related deferred outflows of resources are discussed more in *Note 12*.

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	$ 3,565	$ 1,343	$ 513	$ 680	$ 6,101
Insurance premium taxes	–	–	33,930	–	33,930
Emergency medical services	–	3,639	–	–	3,639
Special assessments	–	–	–	211	211
Total	$ 3,565	$ 4,982	$ 34,443	$ 891	$ 43,881



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 January 1, 2016, it is the County's policy to fund the normal cost and amortization of any unfunded prior service cost over 17 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. Proceeds from the tax on insurance premiums in the amount of $28,286,825 are recorded within the Police Services Special District Fund for the primary purpose of funding police protection to inhabitants of unincorporated Gwinnett in its entirety, budgeted at $101,090,919 and remaining funding of $72,804,094 anticipated from direct revenues and taxes.

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

8. 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.

9. 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.

10. 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.

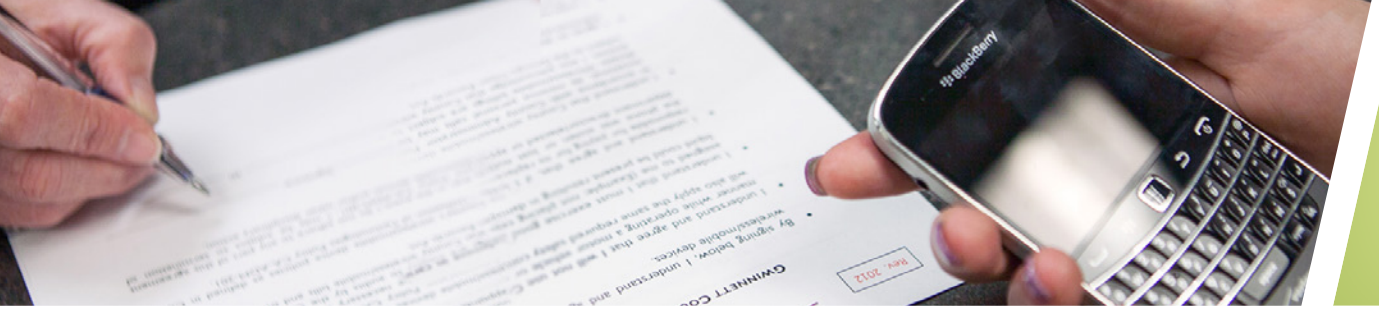
11. The County's legal level of budgeting control (the level at which expenditures may not exceed appropriations) is at the department level for each fund for which a budget is required with the following provision:

    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; and

    (b) allocate funds previously approved between existing capital projects within the same category of projects within Department or Agency.



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 Use Funds, all revenue in Authority Imaging Fund, bond forfeitures, and capital fund contingency project 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 $50,000;

(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; and

(e) allocate funds from the established Compensation Reserve to Department or Agency budgets to provide funding for approved compensation actions.

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.

12. 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.

13. 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.

14. 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.

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

16. 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.

17. 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.

18. Eligible County employees may receive a pay increase as specified in the 2016 Compensation Plan. Pay increases shall be administered in accordance with current procedures as established by the County Administrator. Employee pay increases for any and all years beyond 2016 will depend upon availability of funds and appropriations by the Board of Commissioners.

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, 2016, was amended through supplemental appropriations as follows (in thousands of dollars):

	Original Appropriation Budget	Increase/(Decrease) in Appropriation	Amended Appropriation Budget
General Fund	$ 273,203	$ 4,707	$ 277,910
Special Revenue Funds	315,453	40,246	355,699
Debt Service Fund	4,190	–	4,190
Capital Projects Funds	231,072	(16,857)	214,215

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 (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	$ 149,060	$ 47,522	$ 50,958	$ 80,814	$ 19,225	$ 625,654
Fair value adjustments	948	22	423	218	–	2,640
Budget basis	$ 150,008	$ 47,544	$ 51,381	$ 81,032	$ 19,225	$ 628,294

*Excludes grant funds



Note 3.

Cash, Cash Equivalents, and Investments

Following are the components of the County's cash, cash equivalents, and investments as of December 31, 2016 (in thousands of dollars):

	Unrestricted	Restricted	Agency Funds	Pension and Other Employee Trust Funds	Primary Government Total
Cash and Equivalents	$ 729,313	$ 41,218	$ 38,399	$ 108,996	$ 917,926
Investments	724,331	–	–	937,277	1,661,608
Total	$ 1,453,644	$ 41,218	$ 38,399	$ 1,046,273	$ 2,579,534

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.

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

Investment	Fair Value Measurement Using			Fair Value
	Level 1	Level 2	Level 3	
Federal agency securities	–	381,449,921	–	381,449,921
Federal mortgage-backed securities/collateralized mortgage obligations	–	169,586,337	–	169,586,337
Georgia state securities	–	19,579,117	–	19,579,117
U.S. treasury notes	29,538,225	–	–	29,538,225
Total investments measured at fair value	$ 29,538,225	$ 570,615,375	$ –	$ 600,153,600

Investments recorded at cost:	
Certificates of deposit	124,177,400
Investments not subject to level disclosure:	
Georgia Fund 1 (classified as cash equivalents)	682,304,974
Total investments	$ 1,406,635,974

The U.S. treasury notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in federal agency securities, federal mortgage-backed securities/collateralized mortgage obligations, and Georgia state securities classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The certificates of deposits are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

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

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, 2016, 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, 2016, 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	Fair Value	Duration (Years)	Credit Quality
Federal agency securities	$ 381,449,921	2.92	AA+
Federal mortgage-backed securities/collateralized mortgage obligations	169,586,337	1.79	AA+
Georgia state securities	19,579,117	2.72	AAA
U.S. treasury notes	29,538,225	1.85	AA
State of Georgia Fund 1	682,304,974	0.093	AAAf
Total fair value	$ 1,282,458,574		

Pension Trust Fund Investments

As of December 31, 2016, the Pension Trust Fund had $825,542,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality
U.S. treasury bonds	$ 82,710	**AA**
Asset-backed securities	6,065	**AAA**
Asset-backed securities	1,018	**AA**
Asset-backed securities	2,989	**A**
Asset-backed securities	3,470	**BBB**
Asset-backed securities	59	**B**
Asset-backed securities	5,344	**–**
U.S. government agencies	29,672	**AA**
U.S. government agencies	9,549	**–**
Commercial mortgage-backed securities	296	**AAA**
Commercial mortgage-backed securities	2,083	**AA**
Commercial mortgage-backed securities	1,430	**A**
Commercial mortgage-backed securities	1,817	**BBB**
Commercial mortgage-backed securities	3,224	**–**
Futures contracts	18	**–**
Corporate bonds	359	**AAA**
Corporate bonds	3,745	**AA**

Investment	Fair Value	Credit Quality
Corporate bonds	24,174	**A**
Corporate bonds	38,675	**BBB**
Corporate bonds	1,148	**–**
Collateralized mortgage obligations	898	**AAA**
Collateralized mortgage obligations	10,737	**AA**
Collateralized mortgage obligations	600	**A**
Collateralized mortgage obligations	706	**BBB**
Collateralized mortgage obligations	3,145	**–**
Corporate equities	376,531	**–**
International equities	154,508	**–**
Preferred stock	339	**A**
Preferred stock	575	**BBB**
Global fixed income	577	**AAA**
Global fixed income	2,205	**A**
Global fixed income	390	**BB**
Global fixed income	6,840	**BBB**
Global fixed income	49,646	**–**
Total	$ 825,542	

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, 2016, 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.

On December 31, 2016, the Pension Trust Fund had $825,542,000 invested in the following investments as categorized by interest rate risk (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	82,710	9.67
Asset-backed securities	18,945	4.51
U.S. government agencies	39,221	19.25
Commercial mortgage-backed securities	8,850	29.06
Futures contracts	18	10.73
Corporate bonds	68,101	10.72
Collateralized mortgage obligations	16,086	17.07
Corporate equities	376,531	–
International equities	154,508	–
Preferred stock	914	–
Global fixed income	59,658	–
Total investments measured at fair value	$ 825,542	

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, 2016, the Fixed Income Assets had an effective duration of 5.80 years compared to the Barclays Capital U.S. Aggregate of 5.80 years. The weighted average yield to maturity of the Portfolio was 2.95 percent compared to the Barclays Aggregate of 2.60 percent. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

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

As of December 31, 2016, the Pension Trust Fund had the following recurring fair value measurements (dollars in thousands):

Investment	Fair Value Measurement Using			Fair Value
	Level 1	Level 2	Level 3	
U.S. treasury bonds	82,710	–	–	82,710
Asset-backed securities	–	18,945	–	18,945
U.S. government agencies	–	39,221	–	39,221
Commercial mortgage-backed securities	–	8,850	–	8,850
Futures contracts	18	–	–	18
Corporate bonds	–	68,101	–	68,101
Collateralized mortgage obligations	–	16,086	–	16,086
Corporate equities	338,630	–	37,901	376,531
International equities	153,777	–	731	154,508
Preferred stock	–	914	–	914
Global fixed income	42,123	15,675	1,860	59,658
Total investments measured at fair value	$ 617,258	$ 167,792	$ 40,492	$ 825,542

The U.S. treasury bonds, futures contracts, corporate equities, international equities, and global fixed income investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The investments in asset-backed securities, U.S. government agencies, commercial mortgage-backed securities, corporate bonds, collateralized mortgage obligations, preferred stock, and global fixed income classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The investments in corporate equities and international equities classified as Level 3 on the fair value hierarchy represent shares held in funds which are not activity traded and these investments are valued using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the shares. The investments in global fixed income classified as Level 3 are valued using an option-adjusted discounted cash flow model.

Foreign Currency Risk – At December 31, 2016, $154,508,000, or 18.7 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	$ 278
British pound	54,160
Canadian dollar	9,294
Swiss Franc	3,230
Euro	1,514
U.S. dollars invested in mutual funds with only international holdings*	86,032
Total	$ 154,508

**U.S. dollars invested in mutual funds with only international holdings do not expose the County to foreign policy risk.*

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 2017, 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 $11,690,986 on the maturity date in March 2017, while the Pension Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of $16,035,137 on the maturity date in March 2017. These contracts had no significant value when entered into during 2016, and the change in the fair value is an increase of $17,900 resulting in a net fair value balance of these contracts at December 31, 2016 of $17,900.

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 2017.

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 significant borrower or lending agent default losses or 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, 2016, the OPEB Trust Fund had $111,735,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality
U.S. treasury bonds	$ 11,195	**AA**
Asset-backed securities	821	**AAA**
Asset-backed securities	138	**AA**
Asset-backed securities	404	**A**
Asset-backed securities	470	**BBB**
Asset-backed securities	8	**B**
Asset-backed securities	723	**–**
U.S. government agencies	4,016	**AA**
U.S. government agencies	1,293	**–**
Commercial mortgage-backed securities	40	**AAA**
Commercial mortgage-backed securities	282	**AA**
Commercial mortgage-backed securities	194	**A**
Commercial mortgage-backed securities	246	**BBB**
Commercial mortgage-backed securities	436	**–**
Futures contracts	2	**–**
Corporate bonds	49	**AAA**
Corporate bonds	507	**AA**
Corporate bonds	3,272	**A**
Corporate bonds	5,234	**BBB**
Corporate bonds	155	**–**
Collateralized mortgage obligations	122	**AAA**
Collateralized mortgage obligations	1,453	**AA**
Collateralized mortgage obligations	81	**A**
Collateralized mortgage obligations	95	**BBB**
Collateralized mortgage obligations	426	**–**
Corporate equities	50,963	**–**
International equities	20,912	**–**
Preferred stock	46	**A**
Preferred stock	78	**BBB**
Global fixed income	78	**AAA**
Global fixed income	298	**A**
Global fixed income	53	**BB**
Global fixed income	926	**BBB**
Global fixed income	6,719	**–**
Total	$ 111,735	

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, 2016, 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.



On December 31, 2016, the OPEB Trust Fund had $111,735,000 invested in the following investments as categorized by interest rate risk (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	11,195	9.67
Asset-backed securities	2,564	4.51
U.S. government agencies	5,309	19.25
Commercial mortgage-backed securities	1,198	29.06
Futures contracts	2	10.73
Corporate bonds	9,217	10.72
Collateralized mortgage obligations	2,177	17.07
Corporate equities	50,963	–
International equities	20,912	–
Preferred stock	124	–
Global fixed income	8,074	–
Total investments measured at fair value	$ 111,735	

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, 2016, the Fixed Income Assets had an effective duration of 5.80 years compared to the Barclays Capital U.S. Aggregate of 5.80 years. The weighted average yield to maturity of the Portfolio was 2.95 percent compared to the Barclays Aggregate of 2.60 percent. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

Fair Value Measurements – As of December 31, 2016, the OPEB Trust Fund had the following recurring fair value measurements (dollars in thousands):

Investment	Fair Value Measurement Using			Fair Value
	Level 1	Level 2	Level 3	
U.S. treasury bonds	11,195	–	–	11,195
Asset-backed securities	–	2,564	–	2,564
U.S. government agencies	–	5,309	–	5,309
Commercial mortgage-backed securities	–	1,198	–	1,198
Futures contracts	2	–	–	2
Corporate bonds	–	9,217	–	9,217
Collateralized mortgage obligations	–	2,177	–	2,177
Corporate equities	45,833	–	5,130	50,963
International equities	20,813	–	99	20,912
Preferred stock	–	124	–	124
Global fixed income	5,701	2,121	252	8,074
Total investments measured at fair value	$ 83,544	$ 22,710	$ 5,481	$ 111,735

The U.S. treasury bonds, futures contracts, corporate equities, international equities, and global fixed income investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The investments in asset-backed securities, U.S. government agencies, commercial mortgage-backed securities, corporate bonds, collateralized mortgage obligations, preferred stock, and global fixed income classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The investments in corporate equities and international equities classified as Level 3 on the fair value hierarchy represent shares held in funds which are not activity traded and these investments are valued using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the shares. The investments in global fixed income classified as Level 3 are valued using an option-adjusted discounted cash flow model.



Foreign Currency Risk – At December 31, 2016, $20,912,000, or 18.7 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	$ 38
British pound	7,330
Canadian dollar	1,258
Swiss Franc	437
Euro	205
U.S. dollars invested in a mutual fund with only international holdings*	11,644
Total	$ 20,912

**U.S. dollars invested in a mutual fund with only international holdings does not expose the County to foreign policy risk.*

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 2017, 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 $1,582,357 on the maturity date in March 2017, while the OPEB Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of $2,170,331 on the maturity date in March 2017. These contracts had no significant value when entered into during 2016, and the change in the fair value is an increase of $2,400, resulting in a net fair value balance of these contracts at December 31, 2016, of $2,400.

The fair value 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 2017.

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 significant borrower or lending agent default losses or 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, 2016, upon which the 2016 levy was based, was the taxable assessed value of $27,544,633,891 (40 percent of the estimated actual taxable value of $68,861,584,728).

The County's 2016 millage rate of 13.176 mills includes a rate of 6.826 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 2016 were due in a single installment on October 15.

Levy date	January 1, 2016
Tax bills mailed by	August 15, 2016
Payment due date	October 15, 2016
Delinquency date	October 16, 2016
Approximate lien date	January 19, 2017

** 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, 2016, were as follows (in thousands of dollars):

Taxes receivable:		
General Fund	$	1,110
Fire and EMS District		434
Development and Enforcement Services District		30
Police Services District		167
Other Governmental Funds		237
	$	1,978
Accounts receivable:		
Fire and EMS District	$	4,127
Water and Sewerage Fund		1,601
Stormwater Fund		235
Other Enterprise Funds		163
	$	6,126

Note 6.

Due From/To Other Governments

The total amount due from other governments as of December 31, 2016, is $54,653,000. A total of $33,930,000 is due from the state of Georgia for insurance premium tax collected by the state in 2016, but not yet paid to the County. This amount was estimated using the amount received for 2016 and adjusting it for projected population growth or decline. A total of $15,416,000 is due from the state for sales tax. The majority of the remaining $5,307,000 is due from various grant agencies.

The total amount due to other governments as of December 31 2016, is $349,000 due to the cities for E-911 expenditures.

Note 7.

Capital Assets

The County's capital asset activity for the year ended December 31, 2016, was as follows (in thousands of dollars):

Primary Government

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 735,829	11,525	1,238	746,116
Construction in progress	89,019	128,320	105,759	111,580
Total capital assets, not being depreciated	824,848	139,845	106,997	857,696
Capital assets, being depreciated:				
Land Improvements	460,286	43,710	71	503,925
Buildings	738,119	25,855	–	763,974
Equipment	194,321	9,183	3,546	199,958
Vehicles	103,021	22,317	8,476	116,862
Infrastructure	1,116,009	20,621	–	1,136,630
Total capital assets, being depreciated	2,611,756	121,686	12,093	2,721,349
Less accumulated depreciation for:				
Land Improvements	147,980	16,660	27	164,613
Buildings	218,202	17,383	–	235,585
Equipment	139,462	17,900	3,458	153,904
Vehicles	65,953	11,635	8,126	69,462
Infrastructure	353,422	26,668	–	380,090
Total accumulated depreciation	925,019	90,246	11,611	1,003,654
Total capital assets, being depreciated, net	1,686,737	31,440	482	1,717,695
Governmental-type activities capital assets, net	$ 2,511,585	171,285	107,479	2,575,391

Governmental Activities:	
General government	$ 9,776
Public safety	19,204
Judiciary	4,422
Public works	34,122
Culture and recreation	21,909
Housing and development	813
Total depreciation expense – governmental activities	$ 90,246

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 71,312	72	–	71,384
Construction in progress	120,164	141,248	128,537	132,875
Total capital assets, not being depreciated	191,476	141,320	128,537	204,259
Capital assets, being depreciated:				
Buildings	845,673	10,210	–	855,883
Improvements	3,212,719	116,348	14,763	3,314,304
Equipment	534,650	38,602	5,381	567,871
Vehicles	43,734	16,038	1,140	58,632
Infrastructure	5,656	–	–	5,656
Total capital assets, being depreciated	4,642,432	181,198	21,284	4,802,346
Less accumulated depreciation for:				
Buildings	186,392	19,196	–	205,588
Improvements	712,690	50,136	10,862	751,964
Equipment	305,177	28,827	5,363	328,641
Vehicles	32,124	2,679	1,139	33,664
Infrastructure	732	220	–	952
Total accumulated depreciation	1,237,115	101,058	17,364	1,320,809
Total capital assets, being depreciated, net	3,405,317	80,140	3,920	3,481,537
Business-type activities capital assets, net	$ 3,596,793	221,460	132,457	3,685,796

Business-Type Activities:	
Water and sewer	$ 82,381
Airport	457
Solid waste	284
Stormwater	15,643
Transit	2,293
Total depreciation expense – business-type activities	$ 101,058

Construction and Other Commitments

The County has active construction projects and other commitments as of December 31, 2016. At year-end the County's commitments with contractors were as follows (in thousands of dollars):

Contract value	$ 1,661,408
Spent-to-date	1,162,362
Remaining commitments	$ 499,046



Note 8.

Long-term Obligations

The following is a summary of changes in long-term obligations for the year ended December 31, 2016 (in thousands of dollars):

Governmental Activities:	January 1, 2016	Additions	Retirements	December 31, 2016	Amounts due within one year
General obligation bonds	$ 15,665	–	(3,690)	11,975	3,865
Amounts for issuance premiums	779	–	(331)	448	–
Total bonds payable	16,444	–	(4,021)	12,423	3,865
Lease payable	84,545	–	(3,110)	81,435	3,260
Accumulated leave benefits	19,535	16,786	(14,229)	22,092	15,273
Estimated claims payable	8,537	27,914	(25,635)	10,816	5,461
Net pension liability	267,206	8,606	–	275,812	–
Total governmental activity long-term liabilities	$ 396,267	53,306	(46,995)	402,578	27,859

Business-Type Activities:					
Revenue bonds	$ 745,485	254,850	(308,385)	691,950	67,940
Amounts for issuance premiums	24,007	–	(6,411)	17,596	–
Total bonds payable	769,492	254,850	(314,796)	709,546	67,940
Notes payable	45,320	–	(2,629)	42,691	2,709
Accumulated leave benefits	2,563	2,314	(1,907)	2,970	1,920
Net pension liability	37,129	585	–	37,714	–
Total business-type activity long-term liabilities	$ 854,504	257,749	(319,332)	792,921	72,569

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, $2,808,000 of internal service fund accumulated leave benefits and $10,816,000 of internal service fund claims payable were included in the preceding table.

For governmental funds, accumulated leave benefits and the net pension liability 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, and Grants Funds. Estimated claims payable is liquidated by the Group Self-Insurance, Risk Management, and Auto Liability internal service funds.

For business-type activities, accumulated leave benefits and the net pension liability 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, 2016, 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	10,580	11,975
					$ 22,555	$ 10,580	$ 11,975

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, 2016, were as follows (in thousands of dollars):

	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
Business Type							
2006 Water and Sewerage Refunding	3.75 – 4.5	2/1 – 8/1	3/9/06	8/1/25	121,375	121,375	–
2008 Water and Sewerage	4.0 – 5.0	2/1 – 8/1	8/21/08	8/1/28	190,000	169,725	20,275
2009A Water and Sewerage	1.87 – 4.0	2/1 – 8/1	10/22/09	8/1/28	235,575	69,795	165,780
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	32,850	130,765
2015 Water and Sewerage Refunding	1.74	2/1 – 8/1	8/3/15	8/1/22	127,215	30,890	96,325
2016A Water and Sewerage Refunding	1.69	2/1 – 8/1	5/9/16	8/1/28	145,990	–	145,990
2016 Water and Sewerage Refunding	2.36	2/1 – 8/1	8/1/16	8/1/25	108,860	–	108,860
					$ 1,116,585	$ 424,635	691,950
	Premiums						17,596
	Net Business-Type Bonds Outstanding						$ 709,546

The annual requirements to amortize bonds payable as of December 31, 2016, excluding unamortized bond premiums of $18,044,000, were as follows (in thousands of dollars):

	General Obligation		Business-Type Revenue		
Year Ended December	Principal	Interest	Principal	Interest	Total
2017	3,865	395	67,940	21,960	94,160
2018	3,960	287	69,900	19,896	94,043
2019	4,150	104	56,300	17,650	78,204
2020	–	–	58,015	15,923	73,938
2021	–	–	59,820	14,126	73,946
2022 – 2026	–	–	293,790	41,285	335,075
2027 – 2029	–	–	86,185	6,305	92,490
Total	$ 11,975	$ 786	$ 691,950	$ 137,145	$ 841,856

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	$ 4,190	$ 7,810
2008 Stadium	5.4 – 6.6	1/01 – 07/01	04/01/08	1/1/38	33,000	1,800	31,200
2010 Civic Center	2.0 – 5.0	03/01– 09/01	11/09/10	9/1/31	52,660	10,235	42,425
Subtotal					$ 97,660	$ 16,225	81,435
Premium							3,586
Total							$ 85,021

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 Infinite Energy Center (formerly the Gwinnett Center). 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 Infinite Energy Center Arena, then later restructured those bonds to fixed-rate revenue bonds on November 9, 2010.

In November 2016, the Gwinnett County Development Authority and the Gwinnett County Board of Commissioners approved resolutions authorizing the issuance of the Development Authority of Gwinnett County Taxable Revenue Refunding Bonds Series 2017 for the purpose of refunding a portion of the Development Authority of Gwinnett County's Taxable Revenue Bonds Series 2008 used to build the baseball stadium (Coolray Field). The date of issuance for these bonds was January 26, 2017. The debt service savings will begin in 2017.

The estimated annual requirements to amortize the bonds payable as of December 31, 2016, were as follows (in thousands of dollars):

Development Authority Revenue Bonds Annual Requirements

Year Ended December 31	Principal	Interest	Total Debt Service
2017	3,260	4,325	7,585
2018	3,430	4,151	7,581
2019	3,610	3,967	7,577
2020	3,795	3,775	7,570
2021	3,990	3,575	7,565
2022 – 2026	23,080	14,812	37,892
2027 – 2031	25,370	8,876	34,246
2032 – 2036	9,925	3,365	13,290
2037 – 2038	4,975	333	5,308
Total	$ 81,435	$ 47,179	$ 128,614

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 Infinite Energy Center.

The County has also entered into capital leases for a parking garage at the Infinite Energy 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
Site improvements	18,833	(4,802)	14,031
Buildings	147,997	(38,345)	109,652
Equipment	2,872	(2,202)	670

The amortization expense for fiscal year 2016 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, 2016, $95,805,000 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, 2016, $107,600,000 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, 2016, $136,210,000 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 was August 3, 2015. The interest rate was set at 1.74 percent. The result of this transaction is a total debt service savings of $9.8 million and a present value savings of $9.2 million. The debt service savings began 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, total debt savings of $14.7 million, and a net present value savings of $13.2 million. These privately placed 2016 refunding bonds had a principal amount of $108,860,000 and the date of issuance for these bonds was August 1, 2016. The 2006 bonds were retired. The debt service savings will begin in 2017.

In March 2016, the Gwinnett County Water and Sewerage Authority and the Gwinnett County Board of Commissioners approved resolutions allowing the authority to move forward with a direct purchase of the callable maturities (2019 – 2028) of the 2008 Water and Sewerage Authority Revenue Bonds. The bonds were awarded to Wells Fargo as they offered the lowest advance refunding true interest rate of 1.69 percent, total debt service savings of $21.5 million, and a net present value savings of $18.5 million. These privately placed 2016A refunding bonds had a principal amount of $145,990,000 and the date of issuance was May 19, 2016. The debt service savings began in 2016. At December 31, 2016, $134,315,000 of the outstanding 2008 revenue bonds were considered defeased.

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. The statutory limit at December 31, 2016 was $2,754,463,000. At that date, amounts available in the Debt Service Fund of $19,225,000 totaled $7,250,000 more than the amount of debt outstanding, which means the County has used none of its legal debt limitation of $2,754,463,000.

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, 2016, were as follows (in thousands of dollars):

Enterprise Funds	Interest Rates %	Interest Dates	Maturity Dates	Notes Payable January 1, 2016	Additions	Retirements	Notes Payable December 31, 2016
GEFA (CW4005PA)	3.00	Monthly	11/1/28	$ 39,093	$ –	$ (2,312)	$ 36,781
GEFA (CW03-002NP)	3.00	Monthly	4/1/31	4,439	–	(232)	4,207
GEFA (09-055)	3.00	Monthly	6/1/32	1,788	–	(85)	1,703
				$ 45,320	$ –	$ (2,629)	$ 42,691

The annual requirements to pay the notes outstanding at December 31, 2016, including interest of approximately $9,037,000, were as follows (in thousands of dollars):

Year Ended December 31	Principal	Interest	Total
2017	2,709	1,243	3,952
2018	2,791	1,161	3,952
2019	2,876	1,076	3,952
2020	2,963	989	3,952
2021	3,054	899	3,953
2022 – 2026	16,720	3,043	19,763
2027 – 2031	11,510	625	12,135
2032	68	1	69
Total	$ 42,691	$ 9,037	$ 51,728

Operating Lease Commitments

The County leases certain equipment under operating leases. Rental expenses for all operating leases totaled $5,225,748 for the year ended December 31, 2016. There were no significant future minimum rental payments, contingent rentals, or sublease rentals associated with leases in effect at December 31, 2016.

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 53 series of industrial development bonds issued from January 1, 1996 to December 31, 2016, totaling $1,008,248,986. The total amount of those bonds outstanding as of December 31, 2016, was $694,216,943.

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, 2016, are as follows (in thousands of dollars):

	DUE FROM	
DUE TO	Non-major Governmental	Total
General	$ 1,925	$ 1,925
Total	$ 1,925	$ 1,925

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, 2016, consisted of the following (in thousands of dollars):

	TRANSFER FROM							
TRANSFER TO	General	Fire and EMS District	Police Services District	Other Capital	Non-major Governmental	Water and Sewerage	Internal Service Funds	Total
General	$ –	$ –	$ –	$ –	$ 115	$ 165	$ –	$ 280
Fire and EMS District	5,704	–	–	–	–	–	–	5,704
Police Services District	2,852	–	–	–	–	–	–	2,852
Other Capital	9,147	15,069	26,091	–	9,014	–	110	59,431
Non-major Governmental	788	–	–	115	500	–	–	1,403
Non-major Enterprise	6,104	–	–	–	–	–	–	6,104
Stormwater	–	–	–	–	25	–	–	25
Internal Service	19	–	–	469	–	–	–	488
Total	$ 24,614	$ 15,069	$ 26,091	$ 584	$ 9,654	$ 165	$ 110	$ 76,287

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 transferred funds to the Transit Enterprise Fund to cover operating deficits. Also, a portion of the supplemental title *ad valorem* tax that was collected in the General Fund was distributed to the Fire and EMS District, Police Services District, and Development and Enforcement District Funds.

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, respectively; 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, 2016, were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2016	$ 6,617,000	$ 7,910,000	$ 5,867,000	$ 8,660,000
2015	7,060,000	3,044,000	3,487,000	6,617,000

At December 31, 2016, the Risk Management Fund held $7,438,000 in cash and cash equivalents and the Auto Liability Fund held $1,859,000 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. One third-party administrator is 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 2016 and 2015 were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2016	$ 1,920,000	$ 20,004,000	$ 19,768,000	$ 2,156,000
2015	803,000	17,928,000	16,811,000	1,920,000

2016 Claims for Active Employees:

In 2016, there were 1,589 active employees electing medical coverage under self-funded medical plans. The County pays approximately 90 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, 2016, were as follows (in thousands of dollars):

1,589 Active Employees Electing Medical Coverage	
Administrative Costs	$ 906
Stop Loss Insurance	653
Claims Experience	19,768
Total	$ 21,327

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. General Information about the Pension Plan

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. Empower Retirement 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.

Summary of Significant Accounting Policies

The Plan's significant accounting policies are as follows:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting. Contributions are paid and based on payrolls for time worked through December 31 each year.

Cash and Cash Equivalents

The Plan considers all depository accounts, money market depository accounts, and un-invested cash in investment trust accounts to be cash equivalents.

Valuation of Investments

Investments are recorded at fair value. The net appreciation (depreciation) in the fair value of investments held by the Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the statement of fiduciary net position date. Investment income is recognized on the accrual basis as earned by the Plan.

Payment of Benefits

Benefits to retired participants are recorded when paid in accordance with the terms of the Plan.

Management Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Benefits Provided
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.

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.

At January 1, 2016, the following employees were covered by the benefit terms:

Plan Membership as of January 1, 2016	
Inactive members or beneficiaries currently receiving benefits	2,073
Inactive members entitled to but not yet receiving benefits	855
Active members	1,551
Total	4,479

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 for the January 1, 2016 plan year, the required contribution rate for County contributions as a percent of pensionable earnings was set at 27.38 percent, and the County was contributing at a rate of 28.80 percent. The employees were required to contribute at an average rate of 6.88 percent of pensionable earnings.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016 with update procedures performed by the actuary to roll forward the total pension liability measured as of December 31, 2016.

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, 2016 actuarial valuation were as follows:

Actuarial cost method	Entry age normal
Price inflation	3.00 percent
Salary increases	4.50% – 5.50% percent, average, including inflation
Long-term investment rate of return	7.00 percent, net of pension plan investment expense, including inflation
Cost-of-living adjustments	1.00 percent
Mortality	Pre-Retirement Mortality: 1983 Group Annuity Mortality Table multiplied by 50% for males and the 1983 Group Annuity Mortality Table for Females Post-Retirement Health Mortality: The rates of mortality for the period after service retirement are according to the 1994 Group Annuity Mortality Static Table Projected to 2001 using scale AA for males and females. Post-Retirement Disabled Mortality: The rates of mortality for the period after service retirement are according to the 1994 Group Annuity Mortality Static Table Projected to 2001 using scale AA for males and females.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of the last actuarial experience study, dated January 27, 2010.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core fixed income	35.0%	3.1%
Large cap equities	25.0%	5.0%
Foreign developed blend	15.0%	6.0%
Mid cap equities	7.5%	5.9%
Small cap equities	7.5%	6.1%
Global fixed income	5.0%	2.4%
Other	5.0%	6.0%
Total	100%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flow used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the County will contribute the actuarially determined amount in subsequent years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of all current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the future projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	$ 1,203,850,760	$ 899,516,000	$ 304,334,760
Changes for the year:			
Service cost	12,412,610	–	12,412,610
Interest	82,914,571	–	82,914,571
Difference between expected and actual experience	3,737,820	–	3,737,820
Contributions – employer	–	28,036,000	(28,036,000)
Contributions – employee	–	6,652,000	(6,652,000)
Net investment income	–	56,004,000	(56,004,000)
Benefit payments, including refunds of employee contributions	(63,539,000)	(63,539,000)	–
Administrative expense	–	(818,000)	818,000
Net changes	35,526,001	26,335,000	9,191,001
Balances at December 31, 2016	$ 1,239,376,761	$ 925,851,000	$ 313,525,761

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.00 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 460,451,935	$ 313,525,761	$ 190,322,998

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the County recognized pension expense of $101,864,460. The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2016 (the measurement date):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,511,218	$ –
Changes of assumptions	23,586,136	–
Net difference between projected and actual earnings on plan investments	49,797,020	–
Total	$ 78,894,374	$ –

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

Year ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	$ 44,977,161	$ –
2018	16,528,379	–
2019	16,204,093	–
2020	1,184,741	–
Thereafter	–	–

B. 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 Empower Retirement (previously Great-West Retirement Services). On December 31, 2016, there were 3,138 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, 2016, the amount contributed by employees was $5,872,384. The amount contributed by the County was $11,482,488. 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 hired before January 1, 2016 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. Employees hired on or after January 1, 2016 vest in the County contributions on the following schedule: after 3 years of service they are vested 33 percent, after 4 years of service they are vested 67 percent, and after 5 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 Empower Retirement. 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 2016, the County contributed $432,908 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, 2017.

Active participants	4,600
Retirees and beneficiaries	2,073
Total	6,673

B. Contributions

In 2016, 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
2016	$ 9,985	$ 13,257	132.77%	$ 36,896
2015	9,420	11,587	123.01%	33,624
2014	8,930	9,977	111.72%	31,456

The County's annual OPEB cost and net OPEB asset for the 2016 fiscal year were as follows:

Employer annual required contribution	$ 10,493,512
Interest on net OPEB asset	(2,353,665)
Adjustment	1,845,390
Annual OPEB cost	9,985,237
Employer actual contributions to plan	13,257,000
Less: annual OPEB cost	9,985,237
Increase in net OPEB asset	3,271,763
Net OPEB asset, beginning of fiscal year	33,623,791
Net OPEB asset, end of fiscal year	$ 36,895,554

C. OPEB Plan

As of the most recent valuation date, January 1, 2017, 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
1/1/17	$ 128,246,741	$ 182,441,163	$ 54,194,422	70.29%	$ 240,314,977	22.55%

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, 2017 actuarial valuation were as follows:

Actuarial Methods and Assumptions:

Valuation date	January 1, 2017
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	28 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return*	7.00%
Medical cost trend rate:	
Pre-Medicare rate*	7.00% – 5.00%
Ultimate trend rate*	5.00%
Year of ultimate trend rate	2022
Post-Medicare rate*	5.50% – 5.00%
Ultimate trend rate*	5.00%
Year of ultimate trend rate	2019

** 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, 2016, 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	$ 1,242	$ –	$ –	$ –	$ –	$ –	$ –	$ 209	$ 1,451
Prepaid items	3,873	89	510	–	–	12	–	76	4,560
Restricted for:									
Capital projects	–	–	–	–	954	174,117	210,743	–	385,814
Debt service	–	–	–	–	–	–	–	19,225	19,225
Special projects:									
Street lighting	–	–	–	–	–	–	–	2,136	2,136
Speed humps	–	–	–	–	–	–	–	1,283	1,283
Document printing	–	–	–	–	–	–	–	2,115	2,115
Juvenile court supervision	–	–	–	–	–	–	–	115	115
Tourism	–	–	–	–	–	–	–	9,836	9,836
Stadium operations	–	–	–	–	–	–	–	1,098	1,098
Law enforcement – sheriff	–	–	–	–	–	–	–	898	898
Law enforcement – police	–	–	–	–	–	–	–	3,730	3,730
Crime victims assistance	–	–	–	–	–	–	–	1,152	1,152
Law enforcement – district attorney	–	–	–	–	–	–	–	270	270
Corrections inmate welfare	–	–	–	–	–	–	–	215	215
Sheriff inmate store	–	–	–	–	–	–	–	2,820	2,820
E-911 services	–	–	–	–	–	–	–	25,456	25,456
Loganville EMS district	–	–	–	–	–	–	–	764	764
Development and enforcement services district	–	–	–	–	–	–	–	9,204	9,204
Recreation district	–	–	–	–	–	–	–	17,026	17,026
Jimmy Carter Boulevard tax allocation district	–	–	–	–	–	–	–	1,720	1,720
Indian Trail tax allocation district	–	–	–	–	–	–	–	422	422
Park Place tax allocation district	–	–	–	–	–	–	–	67	67
Grants	–	–	–	–	–	–	–	2,431	2,431
Fire and EMS district	–	47,433	–	–	–	–	–	–	47,433
Police services district	–	–	50,448	–	–	–	–	–	50,448
Committed to:									
Tree replacement	–	–	–	–	–	–	–	247	247
Assigned to:									
General fund – 2017 budget: appropriation of fund balance	28,478	–	–	–	–	–	–	–	28,478
Capital projects:									
Information technology	–	–	–	28,557	–	–	–	–	28,557
Economic development/redevelopment	–	–	–	29,325	–	–	–	–	29,325
Community services	–	–	–	12,018	–	–	–	–	12,018
General government projects	–	–	–	36,134	–	–	–	–	36,134
Public safety	–	–	–	91,997	–	–	–	–	91,997
Capital vehicles	–	–	–	41,797	–	–	–	–	41,797
Unassigned	115,467	–	–	–	–	–	–	–	115,467
Total fund balances	**$ 149,060**	**$ 47,522**	**$ 50,958**	**$ 239,828**	**$ 954**	**$ 174,129**	**$ 210,743**	**$ 102,515**	**$ 975,709**

B. Net Position

Net position in the governmentwide statements as of December 31, 2016, was as follows (in thousands of dollars):

Net Position	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	$ 2,474,706	$ 2,949,587	$ 5,424,293
Restricted for:			
Capital projects:			
2005 sales tax capital project fund	954	–	954
2009 sales tax capital project fund	174,129	–	174,129
2014 sales tax capital project fund	210,743	–	210,743
Debt service	19,346	27,968	47,314
Special programs:			
Street lighting	2,345	–	2,345
Speed humps	1,286	–	1,286
Document printing	2,115	–	2,115
Juvenile court supervision	115	–	115
Tourism	9,836	–	9,836
Stadium operations	1,098	–	1,098
Law enforcement – sheriff	898	–	898
Law enforcement – police	3,733	–	3,733
Crime victims assistance	1,153	–	1,153
Law enforcement – district attorney	270	–	270
Corrections inmate welfare	215	–	215
Sheriff inmate store	2,821	–	2,821
E-911 services	25,460	–	25,460
Loganville EMS district	764	–	764
Development and enforcement services district	9,303	–	9,303
Recreation district	17,702	–	17,702
Jimmy Carter Boulevard tax allocation district	1,728	–	1,728
Indian Trail tax allocation district	426	–	426
Park Place tax allocation district	69	–	69
Grants	2,476	–	2,476
Fire and EMS district	52,504	–	52,504
Police services district	85,401	–	85,401
Unrestricted	272,872	324,551	597,423
Total net position	**$ 3,374,468**	**$ 3,302,106**	**$ 6,676,574**

Note 15.

Tax Abatements

Under the *Gwinnett County Economic Development Ordinance* Section 2-151, et. seq. adopted April 19, 2006, the County participates in agreements with the Gwinnett County Development Authority and local businesses through a "Bonds for Title Program" which creates property tax abatements. A targeted business that receives a bond in exchange for the title of their property may receive a reduction of taxable value equal to the reciprocal of the number of years of the bond term applied to the market value of the total real estate. The gain in equity as the bond repayments are made becomes taxable in each subsequent year. Targeted businesses include: advanced manufacturing, headquarters and professional services, health sciences and services, information technology solutions, and supply chain management.

In order to qualify, certain eligibility requirements must be met and will differ if the targeted business is in a redevelopment area such as a community improvement district (CID) or tax allocation district (TAD). For businesses not located in a redevelopment area, at least two of the following conditions must be met over a specified period: 1) add at least 25 jobs, 2) pay an average salary at least 1.25 times the County average for the industry, or 3) have an estimated fiscal impact with a net present value to the County of at least $250,000 as determined by the County's analysis. For those businesses located in a redevelopment area, requirements have a lower threshold and include satisfying at least two of the following conditions over a specified period: 1) add at least 10 new jobs, 2) pay at least the nationwide average salary for that industry, or 3) have an estimated fiscal impact with a net present value to the County of at least $100,000, as determined by the County's analysis.

Any businesses receiving the abatement under this ordinance will agree not to relocate outside the County for the entire period during which the abatement is granted. If the business relocates, the full value of any and all abatements received pursuant to the ordinance will be reimbursed to the County or issuing Authority. Should the business fail to meet fiscal impact, income, or employment requirements, there will be a 20 percent reduction in the abatement to be received for the first such year. If requirements are not met for more than one year, there will be a 50 percent reduction for the second such year. A third year of non-attainment of requirements will result in a termination of the abatement pursuant to the Ordinance.

For the fiscal year ended December 31, 2016, the County abated property taxes totaling $249,853 under this program.

Note 16.

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 2016, the **Department of Water Resources** earned the **Utility of the Future Today Award** from the *National Association of Clean Water Agencies*, the *Water Environment Federation*, the *Water Environment Research Foundation*, and *WateReuse*.

gwinnettcounty
WATER RESOURCES

REQUIRED SUPPLEMENTARY INFORMATION



Required Supplementary Information
Defined Benefit Pension Plan





Schedule of Changes in the County's Net Pension Liability and Related Ratios (in thousands)

	2016	2015	2014
Total pension liability:			
Service cost	$ 12,413	$ 10,381	$ 11,390
Interest	82,914	81,013	77,618
Difference between expected and actual experience	3,738	17,981	–
Changes of assumptions	–	121,862	–
Benefit payments	(63,539)	(59,323)	(54,595)
Net change in total pension liability	35,526	171,914	34,413
Total pension liability – beginning	1,203,851	1,031,937	997,524
Total pension liability – ending (a)	$ 1,239,377	$ 1,203,851	$ 1,031,937
Plan fiduciary net position			
Contributions – employer	28,036	33,636	48,713
Contributions – member	6,652	6,852	7,264
Net investment income	56,004	(2,182)	58,212
Benefit payments	(63,539)	(59,323)	(54,595)
Administrative expense	(818)	(638)	(878)
Net change in plan fiduciary net position	26,335	(21,655)	58,716
Plan fiduciary net position – beginning	899,516	921,171	862,455
Plan fiduciary net position – ending (b)	$ 925,851	$ 899,516	$ 921,171
Net pension liability – ending (a) – (b)	$ 313,526	$ 304,335	$ 110,766
Plan fiduciary net position as a percentage of the total pension liability	74.70%	74.72%	89.27%
Covered-employee payroll	97,303	104,557	109,082
County's net pension liability as a percentage of covered-employee payroll	322.22%	291.07%	101.54%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Required Supplementary Information Defined Benefit Pension Plan

Schedule of County Contributions (in thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer contribution	$ 28,036	$ 33,636	$ 38,713	$ 37,281	$ 36,181	$ 37,563	$ 27,506	$ 22,919	$ 28,037	$ 28,145
Actual county contributions	28,036	33,636	48,713	57,281	55,181	64,063	60,947	37,535	28,828	32,939
Annual contribution deficiency (excess)	$ –	$ –	$ (10,000)	$ (20,000)	$ (19,000)	$ (26,500)	$ (33,441)	$ (14,616)	$ (791)	$ (4,794)
Covered employee payroll	$ 97,303	$ 104,557	$ 109,082	$ 110,766	$ 116,610	$ 128,215	$ 132,626	$ 164,392	$ 167,233	$ 170,175
Actual contributions as a percentage of covered employee payroll	28.81%	32.17%	44.66%	51.71%	47.32%	49.97%	45.95%	22.83%	17.24%	19.36%

Notes to the Required Supplementary Information

Methods and assumptions used in calculations of actuarially determined contributions:

Valuation date	January 1, 2015
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Amortization period	Closed
Remaining amortization period	12 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return (includes inflation)	7.00%
Projected salary increases (includes inflation)	4.50% – 5.50%
Price Inflation	3.00%
Wage Inflation	4.00%
Cost-of-living adjustments	1.00%

Changes of benefit terms
In 2007, the plan was amended and restated during the year to close the plan to new participants effective January 1, 2007.

In 2010, the employee contribution rates for Schedule B and Schedule C employees was increased 1.75 percent and plan compensation now includes overtime, overtime premium, scheduled overtime, and scheduled overtime premium.

Changes of assumption
In 2010, assumptions were updated as a result of an experience study for the three-year period ended January 1, 2009.

In 2015, the assumed rate of return on investments was reduced from 8.00 percent to 7.00 percent.

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

75 Langley Drive
Lawrenceville, GA 30046

Required Supplementary Information Other Post-Employment Benefits

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

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll (Prior year)	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
2017	$ 128,247	$ 182,441	70.3%	$ 54,194	$ 240,315	22.6%
2016	$ 120,923	$ 185,037	65.4%	$ 64,114	$ 224,112	28.6%
2015	$ 114,222	$ 189,833	60.2%	$ 75,611	$ 215,187	35.1%

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...

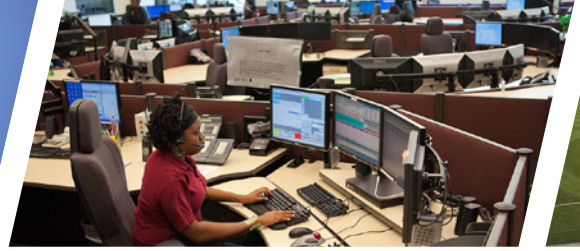
In 2016, **Live Healthy Gwinnett** offered **163 program and events** with **1,619 participants**.

live healthy GWINNETT

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.

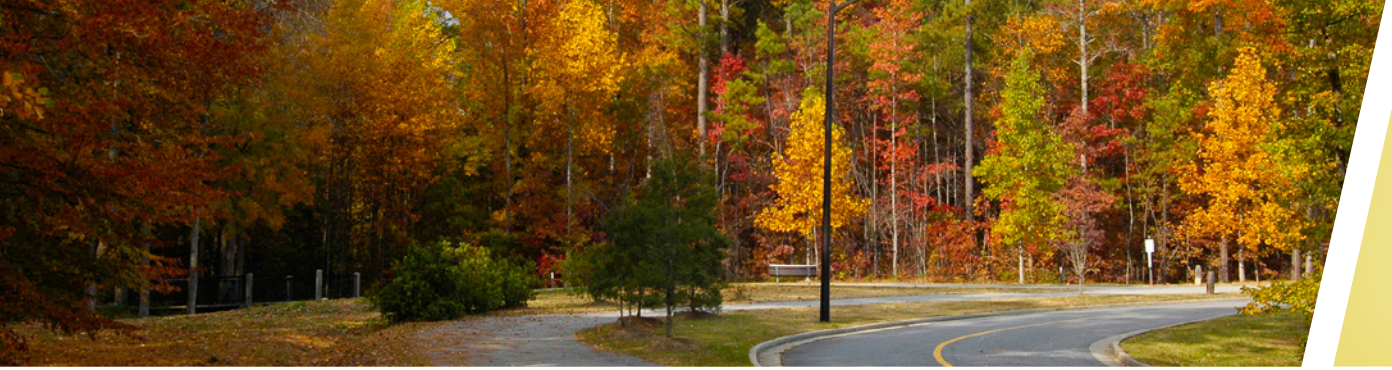
Juvenile Court Supervision
The Juvenile Court Supervision Fund accounts for revenues collected as supervision fees from those who are placed under the courts' formal or informal supervision in order for the court to use those collections toward expenditures for specific ancillary services, as required 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 in accordance with state law, which includes lease payments for the Infinite Energy Center and parking facility. The project was financed with bonds and is leased at cost with lease repayment terms mirroring the required debt service on the bonds. Lease payments are made in March and September and are reflected in the Development Authority line item. Other expenditures associated with this fund are quarterly payments to the Gwinnett Convention and Visitors Bureau, per a management agreement.

Stadium Fund
The Stadium Fund accumulates stadium-related revenues in order to make lease payments on the Stadium (Coolray Field) and pay other miscellaneous expenditures. The stadium project was financed with bonds and is leased at cost with lease repayment terms mirroring the required debt service on the bonds. Lease payments are made in January and July and are shown in the Development Authority line item. Motor vehicle rental 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.

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 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 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 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 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 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.

Park Place TAD Fund
The Park Place TAD Fund accounts for positive tax increment revenues attributable to the Park Place Tax Allocation District (TAD). These revenues are restricted and used to pay for redevelopment costs that provide substantial public benefit in accordance with the Park Place Redevelopment Plan. The Park Place TAD is located in the Evermore Community Improvement District at the intersection of Highway 78 (Stone Mountain Highway) and Rockbridge Road.

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, 2016
(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	$ 131	527	2,115	115	247	9,333	1,102	275	395	228	1,265	2,555
Investments	2,515	767	–	–	–	–	–	–	–	–	–	–
Receivables, net of allowance:												
Taxes	275	4	–	–	–	–	–	–	–	–	–	–
Accounts	–	–	–	–	–	633	71	–	–	–	–	–
Due from other governments	–	–	–	–	–	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–	–	–	–	–	–
Prepaid assets	–	–	–	–	–	–	–	–	–	–	3	–
Total assets	$ 2,921	1,298	2,115	115	247	9,966	1,173	275	395	228	1,268	2,555
LIABILITIES:												
Accounts payable	$ 3	12	–	–	–	130	75	–	–	–	49	41
Due to other governments	–	–	–	–	–	–	–	–	–	–	–	–
Payroll payable	573	–	–	–	–	–	–	–	–	–	–	–
Due to other funds	–	–	–	–	–	–	–	–	–	–	–	–
Due to others	–	–	–	–	–	–	–	–	–	–	–	–
Total liabilities	576	12	–	–	–	130	75	–	–	–	49	41
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue – property taxes	209	3	–	–	–	–	–	–	–	–	–	–
Total deferred inflows of resources	209	3	–	–	–	–	–	–	–	–	–	–
FUND BALANCES:												
Nonspendable	–	–	–	–	–	–	–	–	–	–	3	–
Restricted	2,136	1,283	2,115	115	–	9,836	1,098	275	395	228	1,216	2,514
Committed	–	–	–	–	247	–	–	–	–	–	–	–
Total fund balances	2,136	1,283	2,115	115	247	9,836	1,098	275	395	228	1,219	2,514
Total liabilities, deferred inflows of resources and fund balances	$ 2,921	1,298	2,115	115	247	9,966	1,173	275	395	228	1,268	2,555

Non-major 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	Park Place TAD	Grant	Total Non-major Special Revenue Funds	Debt Service	Total Other Governmental Funds
1,178	270	218	2,791	15,574	256	5,731	13,128	1,719	422	67	–	59,642	19,182	78,824
–	–	–	–	10,918	508	3,813	4,792	–	–	–	–	23,313	–	23,313
–	–	–	–	–	–	130	618	8	4	2	–	1,041	164	1,205
18	–	–	53	37	–	25	15	1	–	–	–	853	–	853
–	–	–	–	–	–	–	–	–	–	–	4,893	4,893	–	4,893
–	–	–	–	–	–	–	209	–	–	–	–	209	–	209
1	–	–	1	4	–	7	15	–	–	–	45	76	–	76
1,197	270	218	2,845	26,533	764	9,706	18,777	1,728	426	69	4,938	90,027	19,346	109,373
1	–	1	24	407	–	23	492	–	–	–	537	1,795	–	1,795
–	–	–	–	349	–	–	–	–	–	–	–	349	–	349
43	–	2	–	317	–	252	583	–	–	–	–	1,770	–	1,770
–	–	–	–	–	–	–	–	–	–	–	1,925	1,925	–	1,925
–	–	–	–	–	–	128	–	–	–	–	–	128	–	128
44	–	3	24	1,073	–	403	1,075	–	–	–	2,462	5,967	–	5,967
–	–	–	–	–	–	92	452	8	4	2	–	770	121	891
–	–	–	–	–	–	92	452	8	4	2	–	770	121	891
1	–	–	1	4	–	7	224	–	–	–	45	285	–	285
1,152	270	215	2,820	25,456	764	9,204	17,026	1,720	422	67	2,431	82,758	19,225	101,983
–	–	–	–	–	–	–	–	–		–	–	247	–	247
1,153	270	215	2,821	25,460	764	9,211	17,250	1,720	422	67	2,476	83,290	19,225	102,515
1,197	270	218	2,845	26,533	764	9,706	18,777	1,728	426	69	4,938	90,027	19,346	109,373

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

Year Ended December 31, 2016

(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	$ –	–	–	–	–	9,618	864	–	–	–	–	–
Permits and licenses	–	–	–	–	43	–	–	–	–	–	–	–
Intergovernmental	–	–	–	–	–	–	400	–	–	–	–	–
Charges for services	7,122	116	633	71	–	–	1,001	–	–	–	–	–
Fines and forfeitures	–	–	–	–	–	–	–	163	42	152	116	464
Investment earnings	11	11	2	–	–	18	–	–	–	–	–	–
Miscellaneous	108	–	–	–	–	–	–	–	–	–	1	–
Total revenues	7,241	127	635	71	43	9,636	2,265	163	42	152	117	464
EXPENDITURES:												
Current operating:												
Public safety	–	–	–	–	–	–	–	–	–	–	652	362
Judiciary	–	–	900	53	–	–	–	25	107	58	–	–
Public works	7,106	121	–	–	–	–	–	–	–	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–	–	–	–
Housing and development	–	–	–	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	3,017	–	–	–	–	–	–
Development authority	–	–	–	–	–	4,923	2,773	–	–	–	–	–
Grant programs	–	–	–	–	–	–	–	–	–	–	–	–
Capital outlay	–	–	–	–	–	–	–	175	–	–	416	98
Debt service	–	–	–	–	–	–	–	–	–	–	–	–
Intergovernmental	–	–	–	–	–	–	–	–	–	–	–	–
Total expenditures	7,106	121	900	53	–	7,940	2,773	200	107	58	1,068	460
Revenues in excess of (less than) expenditures	135	6	(265)	18	43	1,696	(508)	(37)	(65)	94	(951)	4
OTHER FINANCING SOURCES (USES):												
Transfers in	–	–	–	–	–	–	500	–	–	–	–	–
Transfers out	–	–	–	–	–	(500)	–	–	–	–	(101)	(20)
Other financing sources (uses), net	–	–	–	–	–	(500)	500	–	–	–	(101)	(20)
Net change in fund balances	135	6	(265)	18	43	1,196	(8)	(37)	(65)	94	(1,052)	(16)
Fund balances – January 1	2,001	1,277	2,380	97	204	8,640	1,106	312	460	134	2,271	2,530
Fund balances – December 31	$ 2,136	1,283	2,115	115	247	9,836	1,098	275	395	228	1,219	2,514

Non-major 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	Park Place TAD	Grant	Total Non-major Special Revenue Funds	Debt Service	Total Other Governmental Funds
–	–	–	–	–	–	6,771	28,475	918	181	55	–	46,882	7,457	54,339
–	–	–	–	–	–	4,282	–	–	–	–	–	4,325	–	4,325
–	–	–	–	–	–	49	198	–	–	–	13,807	14,454	50	14,504
–	–	88	643	17,767	–	683	4,061	–	–	–	–	32,185	–	32,185
829	30	–	–	–	–	–	–	–	–	–	–	1,796	–	1,796
4	–	–	–	37	5	64	133	–	–	–	–	285	39	324
3	–	7	–	3	–	13	2,445	–	–	–	1,089	3,669	–	3,669
836	30	95	643	17,807	5	11,862	35,312	918	181	55	14,896	103,596	7,546	111,142
–	–	38	–	14,295	21	2,707	–	–	–	–	–	18,075	–	18,075
1,000	46	–	469	–	–	–	–	–	–	–	–	2,658	–	2,658
–	–	–	–	–	–	–	–	–	–	–	–	7,227	–	7,227
–	–	–	–	–	–	–	28,473	–	–	–	–	28,473	–	28,473
–	–	–	–	–	–	5,828	–	–	–	–	–	5,828	–	5,828
–	–	–	–	–	–	–	–	–	–	–	–	3,017	–	3,017
–	–	–	–	–	–	–	–	–	–	–	–	7,696	–	7,696
–	–	–	–	–	–	–	–	–	–	–	15,111	15,111	–	15,111
–	–	–	41	–	–	–	–	–	–	–	125	855	–	855
–	–	–	–	–	–	–	–	–	–	–	–	–	4,188	4,188
–	–	–	–	4,192	–	–	–	–	–	–	–	4,192	–	4,192
1,000	46	38	510	18,487	21	8,535	28,473	–	–	–	15,236	93,132	4,188	97,320
(164)	(16)	57	133	(680)	(16)	3,327	6,839	918	181	55	(340)	10,464	3,358	13,822
–	–	–	115	–	–	642		–	–	–	146	1,403	–	1,403
–	–	–	–	(135)	–	(3,353)	(5,405)	–	–	–	(140)	(9,654)	–	(9,654)
–	–	–	115	(135)	–	(2,711)	(5,405)	–	–	–	6	(8,251)	–	(8,251)
(164)	(16)	57	248	(815)	(16)	616	1,434	918	181	55	(334)	2,213	3,358	5,571
1,317	286	158	2,573	26,275	780	8,595	15,816	802	241	12	2,810	81,077	15,867	96,944
1,153	270	215	2,821	25,460	764	9,211	17,250	1,720	422	67	2,476	83,290	19,225	102,515

DID YOU KNOW...

The **Gwinnett County Police Department** has earned the **Accreditation with Excellence Award** from the *Commission on Accreditation for Law Enforcement Agencies, Inc.* **since 1993**.

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, 2016

(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	7,049	7,122	73	115	116	1	624	633	9
Fines and forfeitures	–	–	–	–	–	–	–	–	–
Investment earnings	7	11	4	6	11	5	2	2	–
Miscellaneous	–	108	108	–	–	–	–	–	–
Total revenues	7,056	7,241	185	121	127	6	626	635	9
EXPENDITURES:									
Current operating:									
Public safety	–	–	–	–	–	–	–	–	–
Judiciary	–	–	–	–	–	–	960	900	60
Public works	7,742	7,106	636	122	121	1	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	–	–	–	–
Development authority	–	–	–	–	–	–	–	–	–
Total expenditures	7,742	7,106	636	122	121	1	960	900	60
Revenues in excess of (less than) expenditures	(686)	135	821	(1)	6	7	(334)	(265)	69
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	(686)	135	821	(1)	6	7	(334)	(265)	69
Fund balance allocation	686	–	(686)	1	–	(1)	334	–	(334)
Fund balances – January 1	–	2,001	2,001	–	1,277	1,277	–	2,380	2,380
Fund balances – December 31	$ –	2,136	2,136	–	1,283	1,283	–	2,115	2,115

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)
–	–	–	–	–	–	9,566	9,618	52	875	864	(11)	–	–	–
–	–	–	10	43	33	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	400	400	–	–	–	–
60	71	11	–	–	–	–	–	–	1,022	1,001	(21)	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	163	163	–
–	–	–	–	–	–	2	18	16	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60	71	11	10	43	33	9,568	9,636	68	2,297	2,265	(32)	163	163	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
55	53	2	–	–	–	–	–	–	–	–	–	294	200	94
–	–	–	10	–	10	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	3,272	3,017	255	–	–	–	–	–	–
–	–	–	–	–	–	4,923	4,923	–	2,798	2,773	25	–	–	–
55	53	2	10	–	10	8,195	7,940	255	2,798	2,773	25	294	200	94
5	18	13	–	43	43	1,373	1,696	323	(501)	(508)	(7)	(131)	(37)	94
–	–	–	–	–	–	–	–	–	500	500	–	–	–	–
–	–	–	–	–	–	(500)	(500)	–	–	–	–	–	–	–
–	–	–	–	–	–	(500)	(500)	–	500	500	–	–	–	–
5	18	13	–	43	43	873	1,196	323	(1)	(8)	(7)	(131)	(37)	94
(5)	–	5	–	–	–	(873)	–	873	1	–	(1)	131	–	(131)
–	97	97	–	204	204	–	8,640	8,640	–	1,106	1,106	–	312	312
–	115	115	–	247	247	–	9,836	9,836	–	1,098	1,098	–	275	275

continued…

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

Year Ended December 31, 2016

(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	42	42	–	153	152	(1)	116	116	–
Investment earnings	–	–	–	–	–	–	–	–	–
Miscellaneous	–	–	–	–	–	–	–	1	1
Total revenues	42	42	–	153	152	(1)	116	117	1
EXPENDITURES:									
Current operating:									
Public safety	–	–	–	–	–	–	1,386	1,068	318
Judiciary	192	107	85	213	58	155	–	–	–
Public works	–	–	–	–	–	–	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	–	–	–	–
Development authority	–	–	–	–	–	–	–	–	–
Total expenditures	192	107	85	213	58	155	1,386	1,068	318
Revenues in excess of (less than) expenditures	(150)	(65)	85	(60)	94	154	(1,270)	(951)	319
OTHER FINANCING SOURCES (USES):									
Transfers in	–	–	–	–	–	–	–	–	–
Transfers out	–	–	–	–	–	–	(178)	(101)	77
Other financing sources (uses), net	–	–	–	–	–	–	(178)	(101)	77
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(150)	(65)	85	(60)	94	154	(1,448)	(1,052)	396
Fund balance allocation	150	–	(150)	60	–	(60)	1,448	–	(1,448)
Fund balances – January 1	–	460	460	–	134	134	–	2,271	2,271
Fund balances – December 31	$ –	395	395	–	228	228	–	1,219	1,219

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)
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–		–	–	77	88	11
434	464	30	843	829	(14)	30	30	–	–	–	–
–	–	–	–	4	4	–	–	–	–	–	–
–	–	–	–	3	3	–	–	–	6	7	1
434	464	30	843	836	(7)	30	30	–	83	95	12
674	460	214	–	–	–	–	–	–	61	38	23
–	–	–	1,132	1,000	132	176	46	130	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
674	460	214	1,132	1,000	132	176	46	130	61	38	23
(240)	4	244	(289)	(164)	125	(146)	(16)	130	22	57	35
–	–	–	–	–	–	–	–	–	–	–	–
(34)	(20)	14	–	–	–	–	–	–	–	–	–
(34)	(20)	14	–	–	–	–	–	–	–	–	–
(274)	(16)	258	(289)	(164)	125	(146)	(16)	130	22	57	35
274	–	(274)	289	–	(289)	146	–	(146)	(22)	–	22
–	2,530	2,530	–	1,317	1,317	–	286	286	–	158	158
–	2,514	2,514	–	1,153	1,153	–	270	270	–	215	215

continued…

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

Year Ended December 31, 2016

(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	643	643	–	15,858	17,767	1,909	–	–	–
Fines and forfeitures	–	–	–	–	–	–	–	–	–
Investment earnings	–	–	–	131	231	100	4	5	1
Miscellaneous	–	–	–	–	3	3	–	–	–
Total revenues	643	643	–	15,989	18,001	2,012	4	5	1
EXPENDITURES:									
Current operating:									
Public safety	–	–	–	20,048	18,487	1,561	44	21	23
Judiciary	733	510	223	–	–	–	–	–	–
Public works	–	–	–	–	–	–	–	–	–
Culture and recreation	–	–	–	–	–	–	–	–	–
Tourism	–	–	–	–	–	–	–	–	–
Development authority	–	–	–	–	–	–	–	–	–
Total expenditures	733	510	223	20,048	18,487	1,561	44	21	23
Revenues in excess of (less than) expenditures	(90)	133	223	(4,059)	(486)	3,573	(40)	(16)	24
OTHER FINANCING SOURCES (USES):									
Transfers in	115	115	–	–	–	–	–	–	–
Transfers out	–	–	–	(317)	(135)	182	–	–	–
Other financing sources (uses), net	115	115	–	(317)	(135)	182	–	–	–
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	25	248	223	(4,376)	(621)	3,755	(40)	(16)	24
Fund balance allocation	(25)	–	25	4,376	–	(4,376)	40	–	(40)
Fund balances – January 1	–	2,573	2,573	–	26,287	26,287	–	780	780
Fund balances – December 31	$ –	2,821	2,821	–	25,666	25,666	–	764	764

Budget and Actual (Budget Basis) – *continued*

Development & Enforcement Services District			Recreation District			Jimmy Carter Boulevard TAD			Indian Trail TAD			Park Place 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)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
6,078	6,771	693	26,078	28,475	2,397	808	918	110	153	181	28	33	55	22
3,310	4,282	972	–	–	–	–	–	–	–	–	–	–	–	–
28	49	21	121	198	77	–	–	–	–	–	–	–	–	–
498	683	185	4,163	4,061	(102)	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	66	34	56	87	31	–	–	–	–	–	–	–	–	–
–	12	12	2,280	2,446	166	–	–	–	–	–	–	–	–	–
9,946	11,863	1,917	32,698	35,267	2,569	808	918	110	153	181	28	33	55	22
9,775	8,535	1,240	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	30,682	28,473	2,209	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9,775	8,535	1,240	30,682	28,473	2,209	–	–	–	–	–	–	–	–	–
171	3,328	3,157	2,016	6,794	4,778	808	918	110	153	181	28	33	55	22
691	642	(49)	–		–	–	–	–	–	–	–	–	–	–
(3,353)	(3,353)	–	(5,405)	(5,405)	–	–	–	–	–	–	–	–	–	–
(2,662)	(2,711)	(49)	(5,405)	(5,405)	–	–	–	–	–	–	–	–	–	–
(2,491)	617	3,108	(3,389)	1,389	4,778	808	918	110	153	181	28	33	55	22
2,491	–	(2,491)	3,389	–	(3,389)	(808)	–	808	(153)	–	153	(33)	–	33
–	8,598	8,598	–	15,869	15,869		802	802	–	241	241	–	12	12
–	9,215	9,215	–	17,258	17,258	–	1,720	1,720	–	422	422	–	67	67

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

Year Ended December 31, 2016

(in thousands of dollars)

	2005 Sales Tax			2009 Sales Tax		
	Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
REVENUES:						
Sales tax proceeds	$ –	–	–	–	–	–
Intergovernmental	–	–	–	13,635	13,635	–
Charges for services	–	–	–	–	–	–
Fines and forfeitures	–	–	–	–	–	–
Investment earnings	13	13	–	1,616	1,616	–
Miscellaneous	–	–	–	17	17	–
Total revenues	13	13	–	15,268	15,268	–
EXPENDITURES:						
Capital outlay	4,328	4,328	–	78,249	78,249	–
Intergovernmental	–	–	–	–	–	–
Total expenditures	4,328	4,328	–	78,249	78,249	–
Revenues in excess of (less than) expenditures	(4,315)	(4,315)	–	(62,981)	(62,981)	–
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	(4,315)	(4,315)	–	(62,981)	(62,981)	–
Fund balance allocation	4,315	–	(4,315)	62,981	–	(62,981)
Fund balances – January 1	–	5,269	5,269	–	237,617	237,617
Fund balances – December 31	$ –	954	954	–	174,636	174,636

Budget and Actual (Budget Basis)

2014 Sales Tax			Other Capital Projects		
Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
150,031	150,031	–	–	–	–
6,620	6,620	–	155	155	–
–	–	–	–	–	–
–	–	–	123	123	–
1,446	1,446	–	1,560	1,560	–
93	93	–	1,453	1,453	–
158,190	158,190	–	3,291	3,291	–
76,151	76,151	–	23,246	23,246	–
31,657	31,657	–	–	–	–
107,808	107,808	–	23,246	23,246	–
50,382	50,382	–	(19,955)	(19,955)	–
–	–	–	59,431	59,431	–
–	–	–	(584)	(584)	–
–	–	–	58,847	58,847	–
50,382	50,382	–	38,892	38,892	–
(50,382)	–	50,382	(38,892)	–	38,892
–	161,258	161,258	–	202,172	202,172
–	211,640	211,640	–	241,064	241,064

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

Year Ended December 31, 2016
(in thousands of dollars)

		Debt Service Fund		
		Budget	Actual	Variance-positive (negative)
REVENUES:				
Taxes	$	6,637	7,457	820
Intergovernmental		29	50	21
Investment earnings		–	39	39
Total revenues		6,666	7,546	880
EXPENDITURES:				
Debt service		4,190	4,188	2
Total expenditures		4,190	4,188	2
Revenues in excess of expenditures		2,476	3,358	882
Fund balance allocation		(2,476)	–	2,476
Fund balances – January 1		–	15,867	15,867
Fund balances – December 31	$	–	19,225	19,225

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

Year Ended December 31, 2016
(in thousands of dollars)

	Grant Fund		
	Budget	Actual (non-GAAP budget basis)	Variance-positive (negative)
REVENUES:			
Intergovernmental revenues	$ 23,758	19,092	(4,666)
Local revenues	341	1,536	1,195
Total revenues	24,099	20,628	(3,471)
EXPENDITURES:			
Program expenditures	24,099	20,995	3,104
Revenues in excess of (less than) expenditures	$ –	(367)	(367)

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, 2016
(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 2,784	37,793	1,353	41,930
Investments	–	6,459	2,329	8,788
Prepaid items	–	5	2	7
Accounts receivable, net of allowance:	59	1,035	1,732	2,826
Due from other governments	–	–	312	312
Total current assets	2,843	45,292	5,728	53,863
Noncurrent assets:				
Investments	–	16,532	3,369	19,901
Land and construction in progress	11,499	1,317	1,807	14,623
Other capital assets, net of depreciation	7,833	2,910	22,407	33,150
Total noncurrent assets	19,332	20,759	27,583	67,674
Total assets	22,175	66,051	33,311	121,537
DEFERRED OUTFLOWS OF RESOURCES:				
Pension experience difference	2	4	–	6
Pension assumption change	9	15	–	24
Pension investment return	18	32	–	50
Total deferred outflows of resources	29	51	–	80
LIABILITIES:				
Current liabilities:				
Accounts payable	28	3,395	2,382	5,805
Payroll payable	17	19	17	53
Retainage payable	–	–	11	11
Accumulated leave benefits – current	17	18	15	50
Due to others	2	–	49	51
Unearned revenue	–	42,352	–	42,352
Total current liabilities	64	45,784	2,474	48,322
Noncurrent liabilities:				
Accumulated leave benefits – noncurrent	16	9	11	36
Net pension liability	115	206	–	321
Total noncurrent liabilities	131	215	11	357
Total liabilities	195	45,999	2,485	48,679
NET POSITION:				
Net investment in capital assets	19,332	4,227	24,203	47,762
Unrestricted	2,677	15,876	6,623	25,176
Total net position	$ 22,009	20,103	30,826	72,938

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

Year Ended December 31, 2016
(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
OPERATING REVENUES:				
Operating lease and rental income from individual hanger	$ 920	–	–	920
User fees and charges	–	43,218	3,393	46,611
Miscellaneous	2	1	262	265
Total operating revenues	922	43,219	3,655	47,796
OPERATING EXPENSES:				
Depreciation	457	284	2,293	3,034
Transit operations	–	–	15,063	15,063
General and administrative	874	41,262	–	42,136
Total operating expenses	1,331	41,546	17,356	60,233
Operating income (loss)	(409)	1,673	(13,701)	(12,437)
NON-OPERATING REVENUES:				
Intergovernmental	–	–	5,284	5,284
Investment earnings	–	140	58	198
Total non-operating revenues	–	140	5,342	5,482
Income (loss) before transfers and contributions	(409)	1,813	(8,359)	(6,955)
Capital contributions	3	–	10,119	10,122
Transfers in	–	–	6,104	6,104
Change in net position	(406)	1,813	7,864	9,271
Net position – January 1	22,415	18,290	22,962	63,667
Net position – December 31	$ 22,009	20,103	30,826	72,938

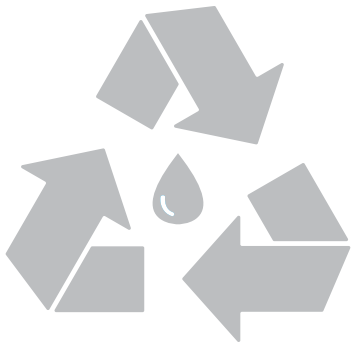
Other Enterprise Funds Combining Statement of Cash Flows

Year Ended December 31, 2016
(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 1,105	43,503	2,104	46,712
Cash payments to suppliers for goods and services	(504)	(40,608)	(14,784)	(55,896)
Cash payments to employees for services	(353)	(533)	(310)	(1,196)
Net cash flows provided/(required) by operating activities	248	2,362	(12,990)	(10,380)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants	–	–	6,028	6,028
Transfers from other funds	–	–	6,104	6,104
Net cash provided by noncapital activities	–	–	12,132	12,132
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	–	–	10,119	10,119
Acquisition and construction of capital assets	–	–	(13,017)	(13,017)
Proceeds from the sale of capital assets	4	–	–	4
Net cash provided/(required) by capital and related financing activities	4	–	(2,898)	(2,894)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from the sale of investments	–	27,795	4,420	32,215
Purchase of investments	–	(25,692)	(4,881)	(30,573)
Investment earnings	–	141	55	196
Net cash provided/(required) by investing activities	–	2,244	(406)	1,838
Net increase (decrease) in cash and cash equivalents	252	4,606	(4,162)	696
Cash and cash equivalents at beginning of year	2,532	33,187	5,515	41,234
Cash and cash equivalents at end of year	$ 2,784	37,793	1,353	41,930
Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:				
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	$ (409)	1,673	(13,701)	(12,437)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:				
Depreciation	457	284	2,293	3,034
CHANGE IN ASSETS AND LIABILITIES:				
Changes in net pension liability and related deferred inflows of resources	(12)	57	(82)	(37)
(Increase) decrease in receivables	183	(108)	(1,550)	(1,475)
(Increase) in prepaids	–	(6)	–	(6)
Increase (decrease) in payables	18	61	(13)	66
Increase in unearned revenue	–	392	–	392
Increase in other liabilities	11	9	63	83
Net cash provided/(required) by operating activities	$ 248	2,362	(12,990)	(10,380)

DID YOU KNOW...

In 2016, the County's **toilet recycling program replaced 2,450 inefficient toilets**, **saving 28 million gallons of water annually** and **diverting 100 tons of porcelain away from landfills** for use as road base, pipe bed, and landscaping.

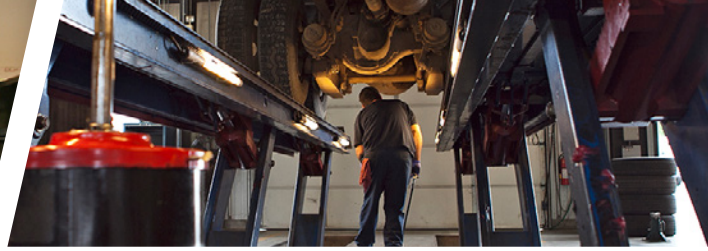


INTERNAL SERVICE FUNDS



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, Board of Commissioners, Gwinnett Clean and Beautiful, and Economic Development. These activities are funded by indirect cost charges to all other funds receiving benefits.

Internal Service Funds Combining Statement of Net Position

December 31, 2016
(in thousands of dollars)

	Group Self-Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
ASSETS:						
Current assets:						
Cash and cash equivalents	$ 4,268	7,438	2,097	1,859	7,697	23,359
Investments	9,346	9,553	–	1,531	3,008	23,438
Accounts receivable, net of allowance	76	352	616	–	27	1,071
Inventories	–	–	426	–	–	426
Prepaid items	81	1	16	–	3,003	3,101
Total current assets	13,771	17,344	3,155	3,390	13,735	51,395
Noncurrent assets:						
Investments	19,521	10,322	–	337	1,361	31,541
Construction in progress	–	–	–	–	336	336
Other capital assets, net of depreciation	–	–	101	–	380	481
Total noncurrent assets	19,521	10,322	101	337	2,077	32,358
Total assets	33,292	27,666	3,256	3,727	15,812	83,753
DEFERRED OUTFLOWS OF RESOURCES:						
Pension experience difference	3	2	37	–	355	397
Pension assumption change	15	6	158	–	1,520	1,699
Pension investment return	32	13	334	–	3,208	3,587
Total deferred outflows of resources	50	21	529	–	5,083	5,683
LIABILITIES:						
Current liabilities:						
Accounts payable	1,299	116	1,368	54	2,384	5,221
Payroll payable	33	13	112	–	1,398	1,556
Accumulated leave benefits – current	26	25	123	–	1,530	1,704
Estimated claims payable – current	2,156	2,944	–	361	–	5,461
Unearned revenue	17	–	–	–	–	17
Total current liabilities	3,531	3,098	1,603	415	5,312	13,959
Accumulated leave benefits – noncurrent	18	27	75	–	984	1,104
Estimated claims payable – noncurrent	–	5,059	–	296	–	5,355
Net pension liability – noncurrent	198	85	2,105	–	20,200	22,588
Total liabilities	3,747	8,269	3,783	711	26,496	43,006
NET POSITION:						
Net investment in capital assets	–	–	101	–	716	817
Unrestricted	29,595	19,418	(99)	3,016	(6,317)	45,613
Total net position	$ 29,595	19,418	2	3,016	(5,601)	46,430

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

Year Ended December 31, 2016
(in thousands of dollars)

	Group Self-Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
OPERATING REVENUES:						
Charges to other funds	$ 45,402	8,498	4,848	999	54,281	114,028
Employee contributions	4,806	–	–	–	–	4,806
Miscellaneous	976	33	278	–	1,545	2,832
Total operating revenues	51,184	8,531	5,126	999	55,826	121,666
OPERATING EXPENSES:						
Vehicle maintenance and repair	–	–	4,093	–	–	4,093
Benefit claims	19,768	5,172	–	695	–	25,635
Insurance premiums	27,034	2,882	–	–	–	29,916
Depreciation and amortization	–	–	12	–	153	165
General and administrative	6,994	1,816	2,264	34	55,043	66,151
Total operating expenses	53,796	9,870	6,369	729	55,196	125,960
Operating income (loss)	(2,612)	(1,339)	(1,243)	270	630	(4,294)
NON-OPERATING REVENUES:						
Investment earnings	50	41	–	18	46	155
Total non-operating revenues	50	41	–	18	46	155
Income (loss) before transfers	(2,562)	(1,298)	(1,243)	288	676	(4,139)
Transfers in	469	–	–	–	19	488
Transfers out	–	–	(91)	–	(19)	(110)
Change in net position	(2,093)	(1,298)	(1,334)	288	676	(3,761)
Net position – January 1	31,688	20,716	1,336	2,728	(6,277)	50,191
Net position – December 31	$ 29,595	19,418	2	3,016	(5,601)	46,430

Internal Service Funds Combining Statement of Cash Flows

Year Ended
December 31, 2016
(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	$ 51,176	8,497	5,008	999	55,819	121,499
Cash payments to suppliers for goods and services	(6,765)	(1,394)	(2,961)	–	(16,717)	(27,837)
Cash payments to employees for services	(487)	(410)	(2,694)	–	(32,245)	(35,836)
Claims and premiums paid	(46,648)	(6,305)	–	(386)	–	(53,339)
Net cash flows provided/(required) by operating activities	(2,724)	388	(647)	613	6,857	4,487
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from other funds	469	–	–	–	19	488
Transfers (to) other funds	–	–	(91)	–	(19)	(110)
Net cash provided/(required) by noncapital activities	469	–	(91)	–	–	378
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets	–	–	(33)	–	(300)	(333)
Net cash (required) by capital and related financing activities	–	–	(33)	–	(300)	(333)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from the sale of investments	21,615	20,747	–	229	11,008	53,599
Purchase of investments	(30,462)	(21,645)	–	(581)	(12,637)	(65,325)
Investment earnings	50	41	–	18	46	155
Net cash required by investing activities	(8,797)	(857)	–	(334)	(1,583)	(11,571)
Net increase/(decrease) in cash and cash equivalents	(11,052)	(469)	(771)	279	4,974	(7,039)
Cash and cash equivalents at beginning of year	15,320	7,907	2,868	1,580	2,723	30,398
Cash and cash equivalents at end of year	$ 4,268	7,438	2,097	1,859	7,697	23,359
Reconciliation of operating income (loss) to net cash provided/required by operating activities:						
CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating income (loss)	$ (2,612)	(1,339)	(1,243)	270	630	(4,294)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:						
Depreciation	–	–	12	–	153	165
CHANGE IN ASSETS AND LIABILITIES:						
Changes in net pension liability and related deferred inflows of resources	(12)	16	514	–	4,987	5,505
(Increase) in receivables	(8)	(34)	(118)	–	(7)	(167)
(Increase) in inventories	–	–	(93)	–	–	(93)
(Increase) in prepaids	(1)	(1)	(3)	–	(857)	(862)
Increase (decrease) in payables	(344)	(10)	263	49	1,366	1,324
Increase in other liabilities	253	1,756	21	294	585	2,909
Net cash provided/(required) by operating activities	$ (2,724)	388	(647)	613	6,857	4,487

DID YOU KNOW...

Fitch Ratings, Moody's Investor Services, and S&P Global **affirmed Gwinnett's AAA credit ratings**, marking **20 years of triple-AAA bond ratings**.



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, 2016
(in thousands of dollars)

	Defined Benefit	OPEB	Total
ASSETS:			
Cash and cash equivalents	$ 95,614	13,382	108,996
Investments, at fair value:			
U.S. treasury bonds	82,710	11,195	93,905
Asset-backed securities	18,945	2,564	21,509
U.S. governmental agencies	39,221	5,309	44,530
Commercial mortgage-backed securities	8,850	1,198	10,048
Futures contracts	18	2	20
Corporate bonds	68,101	9,217	77,318
Collateralized mortgage obligations	16,086	2,177	18,263
Corporate equities	376,531	50,963	427,494
International equities	154,508	20,912	175,420
Preferred stock	914	124	1,038
Global fixed income	59,658	8,074	67,732
Total investments	825,542	111,735	937,277
Securities lending collateral investment pool	73,775	9,985	83,760
Contributions receivable from employer	–	18	18
Prepaid benefit payments	5,517	–	5,517
Total assets	1,000,448	135,120	1,135,568
LIABILITIES:			
Accounts payable	822	2,127	2,949
Liability for securities lending agreement	73,775	9,985	83,760
Total liabilities	74,597	12,112	86,709
Net position – restricted for pension and other employee benefits	$ 925,851	123,008	1,048,859

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

Year Ended December 31, 2016
(in thousands of dollars)

	Defined Benefit	OPEB	Total
ADDITIONS:			
Contributions:			
Employer	$ 28,036	13,257	41,293
Employee	6,652	5,012	11,664
Total contributions	34,688	18,269	52,957
Investment income:			
Net increase in the fair value of investments	39,890	5,526	45,416
Securities lending income	218	30	248
Interest and dividends	19,751	2,675	22,426
Total investment income	59,859	8,231	68,090
Investment expense	(3,841)	(517)	(4,358)
Securities lending expense	(14)	(2)	(16)
Net investment income	56,004	7,712	63,716
Total additions	90,692	25,981	116,673
DEDUCTIONS:			
Benefits paid	63,539	9,420	72,959
Insurance premiums	–	7,239	7,239
Administrative expenses	818	599	1,417
Total deductions	64,357	17,258	81,615
Net increase in fiduciary net position	26,335	8,723	35,058
Net position – restricted for pension and other employee benefits			
Beginning of year	899,516	114,285	1,013,801
End of year	$ 925,851	123,008	1,048,859

Agency Funds Combining Statement of Fiduciary Assets and Liabilities

December 31, 2016
(in thousands of dollars)

	Tax Commissioner	Clerk of Courts	Recorder's Court	Sheriff	Probate Court	Juvenile Court	Corrections	Total
ASSETS:								
Cash and cash equivalents	$ 18,098	18,062	1,113	803	298	3	22	38,399
Taxes receivable	17,050	–	–	–	–	–	–	17,050
Total assets	$ 35,148	18,062	1,113	803	298	3	22	55,449
LIABILITIES:								
Due to others	$ 35,148	18,062	1,113	803	298	3	22	55,449
Total liabilities	$ 35,148	18,062	1,113	803	298	3	22	55,449

Agency Funds Combining Statement of Changes in Fiduciary Assets and Liabilities

Year Ended December 31, 2016
(in thousands of dollars)

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
TAX COMMISSIONER:				
Cash and cash equivalents	$ 16,552	777,787	776,241	18,098
Taxes receivable	15,783	829,491	828,224	17,050
Total	$ 32,335	1,607,278	1,604,465	35,148
Due to others	$ 32,335	1,607,278	1,604,465	35,148
CLERK OF COURTS:				
Cash and cash equivalents	$ 12,253	58,396	52,587	18,062
Due to others	$ 12,253	58,396	52,587	18,062
RECORDER'S COURT:				
Cash and cash equivalents	$ 1,070	3,869	3,826	1,113
Due to others	$ 1,070	3,869	3,826	1,113
SHERIFF:				
Cash and cash equivalents	$ 722	10,483	10,402	803
Due to others	$ 722	10,483	10,402	803
PROBATE COURT:				
Cash and cash equivalents	$ 337	785	824	298
Due to others	$ 337	785	824	298
JUVENILE COURT:				
Cash and cash equivalents	$ 4	55	56	3
Due to others	$ 4	55	56	3
CORRECTIONS:				
Cash and cash equivalents	$ 18	351	347	22
Due to others	$ 18	351	347	22
TOTAL:				
Cash and cash equivalents	$ 30,956	851,726	844,283	38,399
Taxes receivable	15,783	829,491	828,224	17,050
Total	$ 46,739	1,681,217	1,672,507	55,449
Due to others	$ 46,739	1,681,217	1,672,507	55,449

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

Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

DID YOU KNOW...

In 2016, the **Community Outreach Program reached more than 15,000 residents** through programs such as the Gwinnett 101 Citizens Academy, outreach events, exhibit fairs, and digital communications.

gwinnettcounty
community outreach

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

	2007	2008	2009	2010	2011*	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	$ 1,822,598	1,989,757	2,141,050	2,220,825	2,277,439	2,320,301	2,348,661	2,353,452	2,405,163	2,474,706
Restricted	357,674	306,184	272,928	283,828	365,299	398,100	526,551	617,049	629,259	626,890
Unrestricted	470,710	451,245	489,312	522,661	491,493	510,907	478,218	536,684	294,332	272,872
Total governmental activities net position	2,650,982	2,747,186	2,903,290	3,027,314	3,134,231	3,229,308	3,353,430	3,507,185	3,328,754	3,374,468
Business-type activities										
Net investment in capital assets	2,517,483	2,574,614	2,594,387	2,591,610	2,592,634	2,614,293	2,664,664	2,718,527	2,790,538	2,949,587
Restricted	25,199	27,388	33,268	37,072	38,926	25,392	24,375	25,201	27,043	27,968
Unrestricted	60,611	57,866	80,364	137,219	190,964	235,397	221,920	261,024	309,121	324,551
Total business-type activities net position	2,603,293	2,659,868	2,708,019	2,765,901	2,822,524	2,875,082	2,910,959	3,004,752	3,126,702	3,302,106
Primary government										
Net investment in capital assets	4,340,081	4,564,371	4,735,437	4,812,435	4,870,073	4,934,594	5,013,325	5,071,979	5,195,701	5,424,293
Restricted	382,873	333,572	306,196	320,900	404,225	423,492	550,926	642,250	656,302	654,858
Unrestricted	531,321	509,111	569,676	659,880	682,457	746,304	700,138	797,708	603,453	597,423
Total primary government net position	$ 5,254,275	5,407,054	5,611,309	5,793,215	5,956,755	6,104,390	6,264,389	6,511,937	6,455,456	6,676,574

** 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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	$ 74,921	77,529	77,808	96,653	97,991	57,690	47,960	39,653	42,338	42,353
Public safety	173,779	184,060	188,851	188,823	193,625	216,808	199,549	212,405	250,029	279,861
Judiciary	113,633	122,028	123,555	113,089	114,896	129,590	124,612	137,599	151,945	168,308
Public works	82,898	73,339	65,488	55,506	60,013	79,129	77,837	96,491	95,907	100,209
Health and welfare	12,640	12,861	12,336	11,528	11,762	7,081	7,634	8,649	9,228	9,707
Culture and recreation	57,032	68,260	67,369	69,493	69,252	67,090	68,905	63,578	77,237	80,377
Housing and development	18,247	20,596	20,971	25,374	18,098	18,908	18,851	22,071	21,601	23,604
Tourism	2,214	2,038	1,633	1,760	2,044	2,069	2,358	2,534	2,773	3,017
Development authority	2,580	2,843	4,853	6,675	4,367	4,947	4,881	4,773	4,622	4,586
Interest on long-term debt	4,263	5,983	1,111	2,661	2,659	1,921	442	285	277	197
Total governmental activities	542,207	569,537	563,975	571,562	574,707	585,233	553,029	588,038	655,957	712,219
Business-type activities:										
Water and sewer	197,612	201,974	200,687	209,840	213,048	236,249	261,693	229,176	239,093	227,738
Airport	2,103	1,912	2,000	1,811	2,359	1,150	2,106	1,382	1,482	1,286
Solid waste	489	2,573	1,427	20,910	40,438	39,210	41,847	40,051	40,617	41,488
Stormwater	25,455	29,466	28,268	28,032	31,804	27,126	30,375	38,324	28,861	27,057
Transit	14,184	15,749	15,606	15,533	18,235	18,486	17,912	17,591	17,818	17,315
Total business-type activities	239,843	251,674	247,988	276,126	305,884	322,221	353,933	326,524	327,871	314,884
Total primary government expenses	$ 782,050	821,211	811,963	847,688	880,591	907,454	906,962	914,562	983,828	1,027,103
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 22,340	14,578	23,795	18,301	25,682	8,751	8,778	9,747	10,002	10,750
Public safety	22,940	35,699	29,147	23,093	25,586	32,902	31,987	33,909	37,508	37,394
Judiciary	27,145	29,111	28,541	31,174	30,193	32,087	31,770	30,489	28,933	28,145
Public works	6,084	5,992	6,196	6,256	6,279	6,387	6,914	6,882	6,601	7,239
Health and welfare	–	–	1	137	110	23	9	406	3	11
Culture and recreation	3,368	3,918	4,505	4,499	4,480	4,547	4,419	4,752	4,893	5,105
Housing and development	6,145	3,922	2,441	8,818	7,928	8,457	8,359	8,682	9,646	10,174
Operating grants and contributions	15,866	12,068	30,052	33,739	18,005	16,074	18,050	16,645	8,408	8,783
Capital grants and contributions	24,611	15,054	13,407	11,182	20,193	32,853	13,716	38,529	30,319	33,742
Total governmental activities program revenues	128,499	120,342	138,085	137,199	138,456	142,081	124,002	150,041	136,313	141,343

continued...

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Water and sewer	202,960	189,959	208,805	240,966	260,226	271,289	277,234	299,007	305,974	318,056
Airport	858	850	832	827	866	903	859	941	1,034	922
Solid waste	–	1,340	1,113	20,740	41,131	41,929	42,570	42,061	42,677	43,219
Stormwater	16,045	25,095	30,326	29,973	30,494	30,863	30,887	31,182	31,226	31,587
Transit	3,035	4,337	4,319	4,274	5,011	4,845	4,719	4,212	4,404	3,655
Operating grants and contributions	4,212	5,270	4,896	5,740	6,605	5,946	6,504	6,391	6,432	5,340
Capital grants and contributions	113,894	68,179	33,811	18,616	17,571	14,209	22,389	29,948	44,405	76,259
Total business-type activities program revenues	341,004	295,030	284,102	321,136	361,904	369,984	385,162	413,742	436,152	479,038
Total primary government program revenues	$ 469,503	415,372	422,187	458,335	500,360	512,065	509,164	563,783	572,465	620,381
Net (expense)/revenue										
Governmental activities	(413,708)	(449,195)	(425,890)	(434,363)	(436,251)	(443,152)	(429,027)	(437,997)	(519,644)	(570,876)
Business-type activities	101,161	43,356	36,114	45,010	56,020	47,763	31,229	87,218	108,281	164,154
Total primary government net expenses	$ (312,547)	(405,839)	(389,776)	(389,353)	(380,231)	(395,389)	(397,798)	(350,779)	(411,363)	(406,722)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	328,612	325,417	403,235	363,744	336,256	324,081	345,499	377,192	382,407	392,669
Sales taxes	152,528	138,756	122,714	128,594	134,752	142,571	138,351	142,480	146,564	150,031
Other taxes	56,215	55,249	51,971	54,363	64,284	64,063	62,822	64,636	74,491	75,392
Investment income	42,626	24,418	6,571	6,485	1,998	1,246	216	3,414	3,130	1,301
Miscellaneous	5,386	7,516	4,361	10,093	11,588	10,260	10,536	9,192	10,154	7,656
Transfers	(5,338)	(5,957)	(6,858)	(4,892)	(5,161)	(3,992)	(4,275)	(5,162)	(25,161)	(10,459)
Total governmental activities	580,029	545,399	581,994	558,387	543,717	538,229	553,149	591,752	591,585	616,590
Business-type activities:										
Investment income	7,426	2,466	189	346	1,044	803	373	1,413	2,021	791
Miscellaneous	4,693	684	4,990	7,634	–	–	–	–	–	–
Extraordinary item	–	4,112	–	–	–	–	–	–	–	–
Transfers	5,338	5,957	6,858	4,892	5,161	3,992	4,275	5,162	25,161	10,459
Total business-type activities	17,457	13,219	12,037	12,872	6,205	4,795	4,648	6,575	27,182	11,250
Total primary government	$ 597,486	558,618	594,031	571,259	549,922	543,024	557,797	598,327	618,767	627,840
Changes in net position										
Governmental activities	166,321	96,204	156,104	124,024	107,466	95,077	124,122	153,755	71,941	45,714
Business-type activities	118,618	56,575	48,151	57,882	62,225	52,558	35,877	93,793	135,463	175,404
Total primary government	$ 284,939	152,779	204,255	181,906	169,691	147,635	159,999	247,548	207,404	221,118

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

	2007	2008	2009	2010
General fund				
Reserved	$ 3,848	4,614	3,451	5,695
Unreserved	148,220	109,382	114,719	142,258
Total general fund	152,068	113,996	118,170	147,953
All other governmental funds				
Reserved	21,376	9,487	11,311	5,086
Unreserved, reported in:				
Special revenue funds	63,300	54,272	56,338	67,502
Capital project funds	397,465	365,607	293,259	307,259
Debt service funds	10,394	23,518	23,952	33,980
Parking deck project	6,000	6,192	1,135	220
Total all other governmental funds	498,535	459,076	385,995	414,047
Total	$ 650,603	573,072	504,165	562,000

	2011*	2012	2013**	2014	2015	2016
General fund						
Nonspendable	$ 7,204	2,232	1,499	4,656	4,780	5,115
Assigned	–	42,636	743	–	16,630	28,478
Unassigned	164,650	129,503	133,687	138,877	123,809	115,467
Total general fund	171,854	174,371	135,929	143,533	145,219	149,060
All other governmental funds						
Nonspendable	217	298	268	1,114	943	896
Restricted	362,990	396,810	493,340	582,588	590,253	585,678
Committed	60	62	114	182	204	247
Assigned	75,493	78,719	87,515	138,978	202,026	239,828
Total all other governmental funds	438,760	475,889	581,237	722,862	793,426	826,649
Total	$ 610,614	650,260	717,166	866,395	938,645	975,709

** 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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	$ 534,320	512,595	515,608	601,982	537,267	539,344	551,441	583,631	600,391	615,229
Permits and licenses	11,072	8,611	6,626	8,266	7,465	8,009	7,895	8,027	8,997	9,402
Intergovernmental	18,981	18,197	41,715	42,662	27,331	45,727	32,955	50,592	36,009	39,489
Charges for services	62,909	75,691	71,319	63,013	75,514	67,125	67,672	67,816	71,926	74,739
Fines and forfeitures	14,049	14,843	16,731	21,053	15,433	16,009	17,082	18,056	15,870	15,144
Investment income, earnings (losses)	40,214	22,401	6,216	6,072	4,936	3,348	(933)	7,603	5,512	3,920
Miscellaneous	7,759	9,764	7,190	12,007	12,450	10,189	10,536	9,204	10,181	7,668
Total revenues	689,304	662,102	665,405	755,055	680,396	689,751	686,648	744,929	748,886	765,591
Expenditures:										
General government	74,823	72,316	65,329	93,475	87,267	36,577	39,240	27,133	21,794	27,072
Public safety	160,829	171,716	179,492	176,088	175,397	196,917	187,750	189,916	196,573	214,729
Judiciary	110,023	117,798	121,894	120,098	116,534	129,630	127,275	131,424	133,332	144,553
Public works	22,866	22,958	21,489	19,360	20,007	21,256	20,926	20,763	20,148	22,014
Health and welfare	12,566	12,814	12,561	12,473	11,749	6,787	6,662	6,854	7,227	7,490
Culture and recreation	42,615	47,048	47,646	54,477	44,230	43,015	41,736	43,238	47,229	47,317
Housing and development	13,095	13,650	10,062	8,332	7,890	8,703	8,638	8,814	8,745	9,705
Tourism	2,214	2,038	1,633	1,760	2,044	2,069	2,358	2,534	2,773	3,017
Development authority	4,045	4,763	7,465	8,905	6,057	7,097	7,096	7,618	7,597	7,696
Grant programs	6,042	8,217	12,881	22,953	14,961	12,919	13,358	15,977	13,915	15,111
Capital outlay	311,565	283,161	223,577	138,448	130,741	141,153	112,100	103,276	169,637	183,346
Debt service:										
Principal	12,251	12,730	13,255	13,847	11,870	3,380	23,830	3,410	3,480	3,690
Interest	4,079	3,582	3,078	2,608	2,102	1,845	1,041	765	660	498
Issuance cost	–	–	–	–	–	253	–	–	–	–
Intergovernmental	–	–	19,816	19,313	22,041	35,895	24,569	31,310	34,188	35,947
Total expenditures	777,013	772,791	740,178	692,137	652,890	647,496	616,579	593,032	667,298	722,185
Excess (deficiency) of revenues over expenditures	(87,709)	(110,689)	(74,773)	62,918	27,506	42,255	70,069	151,897	81,588	43,406
Other financing sources/(uses):										
Transfers in	20,922	85,606	9,962	34,495	53,766	27,873	91,917	72,364	102,485	69,670
Transfers out	(25,529)	(89,333)	(12,813)	(39,578)	(32,658)	(30,781)	(95,080)	(75,032)	(111,823)	(76,012)
Proceeds from capital lease obligations	–	36,885	8,717	–	–	–	–	–	–	–
Refunding bonds issued	–	–	–	–	–	25,117	–	–	–	–
Payment to refunded bond escrow agent	–	–	–	–	–	(24,818)	–	–	–	–
Total other financing sources/(uses)	(4,607)	33,158	5,866	(5,083)	21,108	(2,609)	(3,163)	(2,668)	(9,338)	(6,342)
Net change in fund balances	$ (92,316)	(77,531)	(68,907)	57,835	48,614	39,646	66,906	149,229	72,250	37,064
Debt service as a percentage of noncapital expenditures	3.5%	3.4%	3.4%	3.0%	2.7%	1.1%	5.0%	0.9%	0.8%	0.7%

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

Fiscal Year Ended Dec. 31,	Real Property			Personal Property		Less: Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Real Property	Motor Vehicle	Other*					
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%
2015	17,575,161,918	6,827,667,400	160,244,240	1,328,959,020	4,238,594,330	4,227,074,580	25,903,552,328	13.579	64,758,880,820	40%
2016	19,585,024,960	7,387,717,040	157,454,560	961,326,070	4,309,871,780	4,856,760,519	27,544,633,891	13.176	68,861,584,728	40%

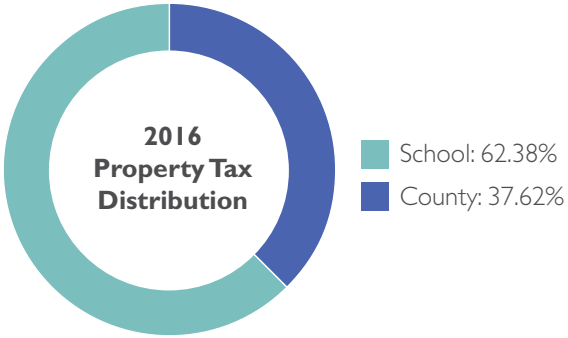
Source: General Fund information from Gwinnett County Budget Division and Gwinnett County Tax Commissioner

** Includes mobile homes*

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund	9.81	9.72	11.78	11.78	11.78	11.78	7.40	7.40	7.229	6.826
Fire and EMS District	–	–	–	–	–	–	3.20	3.20	3.20	3.20
Police Services District	–	–	–	–	–	–	1.60	1.60	1.60	1.60
Development and Enforcement District	–	–	–	–	–	–	0.36	0.36	0.36	0.36
Recreation District	0.80	0.79	1.00	1.00	1.00	1.00	0.95	0.95	0.95	0.95
G.O. Bond Fund	0.23	0.22	0.23	0.23	–	–	–	–	–	–
G.O. Bond Fund II	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
Total County Tax	11.08	10.97	13.25	13.25	13.02	13.02	13.75	13.75	13.579	13.176
School M & O	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.80	19.80	19.80
School Bonds	1.30	1.30	1.30	1.30	1.30	1.30	1.30	2.05	2.05	2.05
Total School Tax	20.55	20.55	20.55	20.55	20.55	20.55	20.55	21.85	21.85	21.85
State Government	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05	–
Total Property Tax	31.88	31.77	34.05	34.05	33.82	33.77	34.45	35.70	35.479	35.026

Source: Budget Division – Tax Levy Resolution



Principal Property Tax Payers – Current Year and Nine Years Ago

Taxpayer	2016 Taxable Assessed Value[1]	2016 Rank	2016 Percentage of Total Taxable Assessed Value[2]	2007 Taxable Assessed Value	2007 Rank	2007 Percentage of Total Taxable Assessed Value
Georgia Power	$ 135,868,320	1	0.49%	$ 107,709,140	4	0.36%
AT&T	111,465,851	2	0.40%	136,554,000	1	0.46%
Mall of Georgia LLC	108,478,880	3	0.39%	89,551,066	5	0.30%
Publix	101,007,350	4	0.37%	112,863,747	2	0.38%
Wal-Mart	94,084,030	5	0.34%	112,057,860	3	0.37%
Jackson EMC	70,738,320	6	0.26%	63,804,380	7	0.21%
Cisco Systems, formerly Scientific Atlanta Inc.	60,884,510	7	0.22%	66,983,010	6	0.22%
AmerisourceBergen Drug Corp.	57,670,150	8	0.21%	–	–	–
McKesson Corp.	52,255,540	9	0.19%	–	–	–
Atlanta Gas Light	46,507,080	10	0.17%	–	–	–
Fourth Quarter Properties LLC				53,383,800	8	0.18%
Inland Southeast				49,489,880	9	0.17%
Sugarloaf Properties				46,000,000	10	0.15%

Sources: 1) Tax Assessor's Office.
2) The final tax digest dated 02/24/2017, 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
2007	$ 826,581,572	$ 781,880,719	93.7%	$ 44,598,249	$ 826,478,968	100.0%
2008	876,052,942	819,605,181	92.7%	56,324,520	875,929,701	100.0%
2009	951,894,622	829,546,868	92.7%	122,130,725	951,677,592	100.0%
2010	866,394,289	810,612,693	93.2%	55,496,814	866,109,507	100.0%
2011	795,502,023	755,883,258	95.1%	39,136,937	795,020,195	99.9%
2012	750,265,235	722,927,859	96.4%	26,672,574	749,600,433	99.9%
2013	761,867,084	741,172,382	97.7%	19,703,492	760,875,874	99.9%
2014	840,134,161	818,211,594	97.5%	20,877,354	839,088,947	99.9%
2015	869,804,444	850,819,073	98.1%	16,639,311	867,458,384	99.7%
2016	931,755,394	911,155,811	97.8%	–	911,155,811	97.8%

** 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]
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	808,264	63,734	0.24%	78.85	–	96,420
2011	824,537	51,827	0.21%	62.86	–	94,730
2012[5]	839,357	48,925	0.20%	58.29	–	92,580
2013	856,374	24,362	0.10%	28.45	–	90,365
2014	875,418	20,370	0.08%	23.27	–	87,520
2015	892,926	16,444	0.06%	18.42	–	84,545
2016	907,135	12,423	0.05%	13.69	–	81,435

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
2007	782,433	10,174	–	965,075	3.64%	1,262.97
2008	951,851	29,194	1,317	1,174,992	4.47%	1,505.01
2009	1,078,073	57,549	822	1,319,674	5.20%	1,657.31
2010	1,038,224	56,548	–	1,254,926	4.92%	1,552.62
2011	1,014,337	55,103	–	1,215,997	4.40%	1,474.76
2012[5]	961,500	52,750	–	1,155,755	4.06%	1,376.95
2013	899,277	50,347	–	1,064,351	3.60%	1,242.86
2014	835,777	47,872	–	991,539	3.18%	1,132.65
2015	769,492	45,320	–	915,801	2.76%	1,025.62
2016	709,546	42,691	–	846,095	Not yet available	932.71

Sources:
1) U.S. Census Bureau midyear population estimates. Estimates for 2010 – 2016 reflect county population estimates released March 2017.
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. Website visited April 5, 2017.
5) GASB 63 and 65 were implemented in 2012; therefore deferred losses on refundings are no longer included.

Note: Personal income data last updated November 19, 2015 – new estimate for 2015; revised estimates for 2007 – 2014.

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

	Fiscal Year Ended December 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	$ 2,757,514	$ 2,935,313	$ 2,900,097	$ 2,664,736	$ 2,498,644	$ 2,387,141	$ 2,362,077	$ 2,554,156	$ 2,590,355	$ 2,754,463
Total net debt applicable to limit	73,692	62,272	50,893	29,485	24,102	17,493	12,197	6,193	–	–
Legal debt margin	2,683,822	2,873,041	2,849,204	2,635,251	2,474,542	2,369,648	2,349,880	2,547,963	2,590,355	2,754,463
Total net debt applicable to the limit as a percentage of debt limit	2.7%	2.2%	1.8%	1.1%	1.0%	0.7%	0.5%	0.2%	0.0%	0.0%

Legal debt margin calculation for fiscal year 2016

Assessed value		$ 27,544,634
Debt limit (10%) of assessed value		2,754,463
Debt applicable to limit:		
General obligation bonds	11,975	
Less: amount set aside for repayment of general obligation debt	11,975	
Total net debt applicable to limit		–
Legal debt margin		$ 2,754,463

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		
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
2015	305,974	106,028	1,426	201,372	61,050	33,293	94,343	2.13	1.2
2016	318,056	120,834	272	197,494	65,430	24,006	89,436	2.21	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	$ 11,975	100.00%	$ 11,975
Amounts for issuance premiums	448	100.00%	448
Lease payable	81,435	100.00%	81,435
Total direct debt	93,858		93,858
Overlapping debt:			
Gwinnett County School District:[2]			
General obligation bonds	1,313,326	100.00%	1,313,326
Certificates of participation	183,852	100.00%	183,852
Total Gwinnett County School District	1,497,178		1,497,178
Municipalities within Gwinnett County:[3]			
Auburn: Capital leases	71	3.06%	2
Notes payable	557	3.06%	17
Total Auburn	628		19
Braselton: Revenue bonds payable	6,934	40.43%	2,803
Buford: General obligation bonds	44,773	92.38%	41,361
City of Peachtree Corners: Capital lease	5	100.00%	5
Duluth: Leases payable	106	100.00%	106
Lawrenceville: Revenue bonds	7,425	100.00%	7,425
Loganville: Capital leases payable	1,376	24.29%	334
Norcross: Capital lease payable	453	100.00%	453
Snellville: Capital leases	297	100.00%	297
Revenue bonds	2,845	100.00%	2,845
Total Snellville	3,142		3,142
Sugar Hill: Landfill closure/postclosure	1,595	100.00%	1,595
Suwanee: General obligation bonds payable	13,411	100.00%	13,411
Revenue bonds payable	4,513	100.00%	4,513
Total Suwanee	17,924		17,924
Total municipalities within Gwinnett County	84,361		75,167
Subtotal, overlapping debt	1,581,539		1,572,345
Total direct and overlapping Debt	$ 1,675,397		$ 1,666,203

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, 2015 population estimates).

2) Based upon the Gwinnett County Board of Education's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

3) Based upon individual city's audit information for the fiscal year ended 2015.

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]
2007	764,129	$ 26,509,410	$ 34,692	4.0%
2008	780,721	$ 26,306,832	$ 33,696	5.6%
2009	796,276	$ 25,369,809	$ 31,861	8.7%
2010	808,264	$ 25,486,946	$ 31,533	9.2%
2011	824,537	$ 27,667,684	$ 33,555	8.7%
2012	839,357	$ 28,476,813	$ 33,927	7.8%
2013	856,374	$ 29,537,275	$ 34,491	6.9%
2014	875,418	$ 31,219,796	$ 35,663	6.0%
2015	892,926	$ 33,240,399	$ 37,226	5.1%
2016	907,135	Not yet available	Not yet available	4.7%

Sources:

1) U.S. Census Bureau midyear population estimates. Estimates for 2010 – 2016 reflect county population estimates released March 2017.
2) Personal income data from the U.S. Bureau of Economic Analysis. Website visited April 5, 2017. Per capita personal income calculated based on the U.S. Census Bureau's midyear population estimates.
3) Georgia Department of Labor, Workforce Statistics & Economic Research, Local Area Unemployment Unit (unemployment rates not seasonally adjusted). Website visited April 5, 2017.

Note: Personal income data last updated November 19, 2015 – new estimate for 2015; revised estimates for 2007 – 2014.

Principal Employers – Current Year and Nine Years Ago

	2016			2007		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gwinnett County Public Schools	20,942	1	4.7%	20,359	1	5.1%
Gwinnett County Government*	5,042	2	1.1%	4,893	2	1.2%
Gwinnett Health Care System	4,090**	3	0.9%	4,300	3	1.1%
Publix**	3,779	4	0.8%	3,474	5	0.9%
Walmart	3,303**	5	0.7%	3,714	4	0.9%
State of Georgia (includes Georgia Gwinnett College)	2,470**	6	0.6%	2,101	7	0.5%
Kroger**	2,316	7	0.5%	2,020	8	0.5%
U.S. Postal Service	2,176	8	0.5%	2,286	6	0.6%
NCR	1,550	9	0.3%	–	–	–
Primerica	1,368	10	0.3%	1,658	10	0.4%
Scientific Atlanta, a Cisco Company	–	–	–	1,838	9	0.5%

Sources: Gwinnett County Department of Financial Services survey of companies, Q1 2017. 2016 employee data for Primerica derived from business license data. 2007 principal employers obtained from page S-14 of the 2007 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 2007 and 2016.

* *Based on total authorized positions as of December 31, 2016 and December 31, 2007.*

** *Full-time equivalent employees.*

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

	Fiscal Year Ended December 31,									
Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	571	569	538	556	538	555	567	571	583	593
Public safety:										
Police	1,013	1,048	1,041	1,066	1,068	1,065	1,065	1,066	1,067	1,104
Fire	757	766	784	844	844	844	844	851	889	898
Corrections	142	142	125	139	134	134	134	134	136	136
Sheriff	686	688	701	706	706	706	706	706	713	714
Judiciary	436	452	466	466	482	469	471	478	491	504
Transportation	181	181	156	148	149	145	143	143	143	147
Community services	251	270	229	245	242	242	240	245	250	270
Water resources	619	623	604	577	576	580	579	580	592	598
Planning and development	142	154	70	81	76	72	76	80	76	78
Total	**4,798**	**4,893**	**4,714**	**4,828**	**4,815**	**4,812**	**4,825**	**4,854**	**4,940**	**5,042**

Source: Department of Financial Services, Budget Group

Operating Indicators By Function – Last Ten Fiscal Years

Function	Fiscal Year Ended December 31, 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
General calls	466,762	532,440	528,813	498,703	451,551	441,408	419,381	405,580	401,822	414,866
Traffic calls	184,076	192,095	211,345	203,910	207,904	205,281	184,644	162,705	147,778	143,734
Officers/1,000 population	1.06	1.07	1.00	1.03	1.00	0.97	0.97	0.93	0.88	0.85
Fire										
Calls answered	64,541	63,655	65,722	62,995	64,450	66,757	66,831	71,084	74,497	78,661
Inspections	10,017	13,835	16,612	11,375	14,063	11,833	13,448	14,004	14,634	16,903
Transportation										
Street resurfacing (miles)	85	60	105	90	80	130	135	135	135	130
Parks and recreation										
Classes/programs/camps/events	5,616	6,259	6,660	6,581	6,047	6,313	6,651	7,030	7,150	7,459
Number of facility & pavilion rentals	6,073	9,268	24,122	14,283	11,298	11,781	10,385	9,543	11,530	12,099
Number of pool admissions & passes	445,000	586,009	570,090	522,322	575,000	541,000	418,310	461,893	471,480	439,434
Number of senior citizens' one-way passenger trips	39,687	39,472	30,456	35,543	32,424	36,173	28,723	38,264	47,368	78,833
Water										
Plant capacity (mgd)	225	225	225	225	225	225	225	225	225	225
Average daily consumption (mgd)	86.9	71.9	71.3	74.7	74.4	71.7	63.9	61.2	58.9	69.0
Maximum daily pumpage (mgd)	126.3	87.9	103.1	99.8	101.4	113.1	80.6	86.3	79.9	109.4
Water meters installed	4,705	1,557	620	977	946	1,417	2,560	2,544	3,422	3,650
Miles of water mains installed	81	45	18	6	17	18	25	10	22	18
Number of customers	234,447	233,675	228,807	227,356	228,223	230,652	229,126	224,771	228,579	236,950
Sewer										
Average annual daily flow (mgd)	49	50	53	53	50	49	53	52	53	52
Number of customers	141,807	146,267	146,276	147,637	148,714	150,951	156,358	157,747	160,862	167,907
Miles of sewer mains installed	116	46	23	7	11	5	37	10	20	28
Transit										
Total passengers	1,937,832	2,103,565	2,319,495	2,117,106	2,264,769	2,026,533	1,823,384	1,718,098	1,586,329	1,496,422

Source: County operating departments

Capital Asset Statistics By Function – Last Ten Fiscal Years

	Fiscal Year Ended December 31,									
Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police precincts/stations	12	12	12	11	11	11	11	11	11	11
Fire stations	27	28	28	30	30	30	30	30	30	31
Transportation										
Miles County-maintained roads	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,500	2,568
Street lights maintained	47,637	48,161	48,643	48,774	48,539	48,697	48,607	48,865	47,723	48,209
Traffic signals maintained	626	643	653	666	675	685	695	701	705	713
Parks and recreation										
Acreage total	8,602	8,695	8,849	8,988	8,992	8,978	9,282	9,413	9,646	9,646
Competition and leisure/play pools	14	17	17	17	17	17	17	17	17	17
Sports fields	139	149	150	150	150	154	170	175	175	179
Tennis courts	43	47	51	51	51	51	51	51	51	53
Playgrounds	42	47	52	52	61	63	67	69	68	72
Libraries	14	14	14	15	15	15	15	15	15	15
Library circulation	6,491,745	7,102,215	7,526,750	7,038,931	7,667,758	7,190,798	6,744,005	6,376,268	5,464,503	5,083,935
Water										
Miles of water mains	3,346	3,399	3,408	3,411	3,665	3,667	3,692	3,702	3,725	3,743
Fire hydrants	40,038	40,614	40,805	40,877	41,642	41,749	42,258	42,447	42,788	43,241
Raw water storage (mgd)	45	45	45	45	45	45	45	45	45	45
Sewer										
Miles of sewer mains	2,595	2,640	2,663	2,670	2,650	2,654	2,691	2,700	2,722	2,750
Treatment capacity (mgd)	71.6	71.6	67.1	102.6	103.0	100.5	100.5	100.5	100.5	100.5
Stormwater										
Miles of pipe	1,096	1,296	1,307	1,317	1,327	1,292	1,364	1,388	1,406	1,422
Transit buses	67	76	85	96	96	98	98	98	98	81

Source: County operating departments

DID YOU KNOW...

In 2016, **Elections** logged a record-breaking **169,646 advance votes** cast through **Absentee by Mail** and **Advance Voting**.

gwinnettcounty Elections

SINGLE AUDIT SECTION







December 31, 2016

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Schedule of Expenditures of Federal Awards – Year ended December 31, 2016

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Housing and Urban Development					
Community Development Block Grants	14.218	B-11-UC-13-0004		162	–
Community Development Block Grants	14.218	B-12-UC-13-0004		51,171	41,862
Community Development Block Grants	14.218	B-13-UC-13-0004		369,854	334,375
Community Development Block Grants	14.218	B-14-UC-13-0004		2,126,977	1,203,275
Community Development Block Grants	14.218	B-15-UC-13-0004		1,277,897	841,256
Community Development Block Grants	14.218	B-16-UC-13-0004		3,184,487	2,893,819
Community Development Block Grants	14.218	B-08-UN-13-0005		93,433	93,433
Community Development Block Grants	14.218	B-11-UN-13-0005		7,975	7,550
SUBTOTAL				**7,111,956**	**5,415,570**
Community Development Block Grants/State's Program	14.228	08-NS-5063	Georgia Dept. of Community Affairs	99,418	98,304
Community Development Block Grants/State's Program	14.228	11-NS-5063	Georgia Dept. of Community Affairs	4,160	410
SUBTOTAL				**103,578**	**98,714**
Emergency Solutions Grant Program	14.231	S-14-UC-13-0011		26,832	18,504
Emergency Solutions Grant Program	14.231	S-15-UC-13-0011		165,499	148,827
Emergency Solutions Grant Program	14.231	S-16-UC-13-0011		245,260	245,260
SUBTOTAL				**437,591**	**412,591**
HOME Investment Partnerships Program	14.239	M-10-UC-13-0201		12	–
HOME Investment Partnerships Program	14.239	M-13-UC-13-0201		36,409	5,048
HOME Investment Partnerships Program	14.239	M-14-UC-13-0201		520,186	289,261
HOME Investment Partnerships Program	14.239	M-15-UC-13-0201		828,855	827,631
HOME Investment Partnerships Program	14.239	M-16-UC-13-0201		539,075	483,310
SUBTOTAL				**1,924,537**	**1,605,250**
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				**9,577,662**	**7,532,125**

continued...

Schedule of Expenditures of Federal Awards – Year ended December 31, 2016 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Justice					
Juvenile Accountability Block Grants	16.523	T13-8-002	Criminal Justice Coordinating Council	31,856	31,856
SUBTOTAL				**31,856**	**31,856**
Drug Court Discretionary Grant Program	16.585	2014-DC-BX-0043		32,575	23,266
SUBTOTAL				**32,575**	**23,266**
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0755		1,821	–
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0742		12,355	–
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0007		57,383	–
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0089		26,391	–
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0376		59,046	–
SUBTOTAL				**156,996**	–
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1011		79,437	–
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-1049		127,318	–
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0931		20,259	9,000
SUBTOTAL				**227,014**	**9,000**
Justice and Mental Health Collaboration Program	16.745	2014-MO-BX-0038		17,345	191
SUBTOTAL				**17,345**	**191**
Equitable Sharing Program	16.922	GA067015A; GA0670200; GA0670000		1,414,928	–
SUBTOTAL				**1,414,928**	–
TOTAL U.S. DEPARTMENT OF JUSTICE				**1,880,714**	**64,313**
U.S. Department of Labor					
WIA Adult Program	17.258	WD1417	Atlanta Regional Commission	66,459	–
SUBTOTAL				**66,459**	–
TOTAL U.S. DEPARTMENT OF LABOR				**66,459**	–

continued...

Schedule of Expenditures of Federal Awards – Year ended December 31, 2016 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Transportation					
Highway Planning and Construction	20.205	UP1424	Atlanta Regional Commission	564,000	–
Highway Planning and Construction	20.205	MSL00-0004-00(430)	Georgia Dept. of Transportation	(22,860)	–
Highway Planning and Construction	20.205	MSL00-0004-00(430)	Georgia Dept. of Transportation	11,806,298	–
Highway Planning and Construction	20.205	BRST0-0054-01(063)	Georgia Dept. of Transportation	(10,290)	–
Highway Planning and Construction	20.205	CSTEE-0006-00(588)	Georgia Dept. of Transportation	–	–
Highway Planning and Construction	20.205	CSSTP-0006-00(823)	Georgia Dept. of Transportation	159,228	–
Highway Planning and Construction	20.205	CSSTP-0006-00(837)	Georgia Dept. of Transportation	–	–
Highway Planning and Construction	20.205	CSHPP-0007-00(617)	Georgia Dept. of Transportation	39,147	–
Highway Planning and Construction	20.205	CSTEE-0009-00(075)	Georgia Dept. of Transportation	–	–
Highway Planning and Construction	20.205	CSSTP-0008-00(905)	Georgia Dept. of Transportation	(11,680)	–
Highway Planning and Construction	20.205	CSSTP-0009-00(076)	Georgia Dept. of Transportation	(1)	–
Highway Planning and Construction	20.205	PI #0010663	Georgia Dept. of Transportation	106,700	–
Highway Planning and Construction	20.205	PI0012883	Georgia Dept. of Transportation	239,348	–
Highway Planning and Construction	20.205	PI-0012884	Georgia Dept. of Transportation	74,685	–
Recreational Trails Program	20.219	13-00943	Georgia Dept. of Natural Resources	100,000	–
Recreational Trails Program	20.219	NRT-14(9)	Georgia Dept. of Natural Resources	136	–
SUBTOTAL – Highway Planning and Construction Cluster				**13,044,711**	–
Federal Transit – Formula Grant	20.507	GA-90-X287-00		1,677,794	–
Federal Transit – Formula Grant	20.507	GA-90-X231-00		85,279	–
Federal Transit – Formula Grant	20.507	GA-90-X275-00		105,718	–
Federal Transit – Formula Grant	20.507	GA-90-X315-00		12,169	–
Federal Transit – Formula Grant	20.507	GA-90-X336-00		8,250,542	–
Federal Transit – Formula Grant	20.507	GA-90-X336-00		295,058	–
Federal Transit – Formula Grant	20.507	GA-90-X349-00		3,857,316	–
Federal Transit – Formula Grant	20.507	N/A	Georgia Regional Transportation Authority	359,158	–
SUBTOTAL				**14,643,034**	–
New Freedom Program	20.521	FTA5310	Atlanta Regional Commission	123,484	–
New Freedom Program	20.521	GA-57-X002-04	Metro Atlanta Regional Transit Authority	5,572	–
New Freedom Program	20.521	GA-57-X015-00	Metro Atlanta Regional Transit Authority	31,078	–
SUBTOTAL				**160,134**	–
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				**27,847,879**	–

continued...

Schedule of Expenditures of Federal Awards – Year ended December 31, 2016 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Treasury					
Equitable Sharing Program	21.000	GA0670000		107,322	–
SUBTOTAL				**107,322**	–
TOTAL U.S. DEPARTMENT OF TREASURY				**107,322**	–
Environmental Protection Agency					
Congressionally Mandated Projects	66.202	XP9740-13-00-0		56,040	–
SUBTOTAL				**56,040**	–
TOTAL ENVIRONMENTAL PROTECTION AGENCY				**56,040**	–
U.S. Department of Health and Human Services					
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1307	Atlanta Regional Commission	998	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1307	Atlanta Regional Commission	34,593	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1507	Atlanta Regional Commission	73,757	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1507	Atlanta Regional Commission	108,051	–
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AG1507	Atlanta Regional Commission	101,308	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1210	Atlanta Regional Commission	4,892	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1307	Atlanta Regional Commission	1,828	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1307	Atlanta Regional Commission	70,360	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1507	Atlanta Regional Commission	137,697	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1507	Atlanta Regional Commission	129,562	–
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AG1507	Atlanta Regional Commission	87,968	–
Nutrition Services Incentive Program	93.053	AG1210	Atlanta Regional Commission	1,105	–
Nutrition Services Incentive Program	93.053	AG1307	Atlanta Regional Commission	2,824	–
Nutrition Services Incentive Program	93.053	AG1307	Atlanta Regional Commission	11,460	–
Nutrition Services Incentive Program	93.053	AG1507	Atlanta Regional Commission	1,134	–
Nutrition Services Incentive Program	93.053	AG1507	Atlanta Regional Commission	4,410	–
Nutrition Services Incentive Program	93.053	AG1507	Atlanta Regional Commission	–	–
SUBTOTAL – Aging Cluster				**771,947**	–

continued...

Schedule of Expenditures of Federal Awards – Year ended December 31, 2016 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
National Family Caregiver Support	93.052	AG1507	Atlanta Regional Commission	530	–
National Family Caregiver Support	93.052	AG1507	Atlanta Regional Commission	17,779	–
National Family Caregiver Support	93.052	AG1507	Atlanta Regional Commission	31,027	–
SUBTOTAL				**49,336**	**–**
Substance Abuse and Mental Health Services	93.243	1H79TI026114-01		208,781	207,528
SUBTOTAL				**208,781**	**207,528**
Temporary Assistance for Needy Families	93.558	42700-040-0000030067	Georgia Court Appointed Special Advocate	12,490	–
Temporary Assistance for Needy Families	93.558	42700-040-0000052434	Georgia Court Appointed Special Advocate	18,258	–
SUBTOTAL				**30,748**	**–**
Community Based Care Transitions	93.621	AG1307	Atlanta Regional Commission	1,394	–
Community Based Care Transitions	93.621	AG1307	Atlanta Regional Commission	9,688	–
Community Based Care Transitions	93.621	AG1507	Atlanta Regional Commission	–	–
SUBTOTAL				**11,082**	**–**
Social Services Block Grant	93.667	AG1210	Atlanta Regional Commission	636	–
Social Services Block Grant	93.667	AG1307	Atlanta Regional Commission	1,341	–
Social Services Block Grant	93.667	AG1307	Atlanta Regional Commission	558	–
Social Services Block Grant	93.667	AG1507	Atlanta Regional Commission	–	–
Social Services Block Grant	93.667	AG1507	Atlanta Regional Commission	10,302	–
Social Services Block Grant	93.667	AG1507	Atlanta Regional Commission	17,450	–
Social Services Block Grant	93.667	AG1507	Atlanta Regional Commission	–	–
SUBTOTAL				**30,287**	**–**
Home Delivered Meals Program	93.778	000272742B	Georgia Dept. of Community Health	89	–
SUBTOTAL				**89**	**–**
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				**1,102,270**	**207,528**

continued...

Schedule of Expenditures of Federal Awards – Year ended December 31, 2016 *(continued)*

Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
Executive Office of the President					
High Intensity Drug Trafficking Area	95.001	N/A		365,363	–
High Intensity Drug Trafficking Area	95.001	N/A		16,708	–
SUBTOTAL				**382,071**	–
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				**382,071**	–
U.S. Department of Homeland Security					
Disaster Grants – Public Assistance	97.036	FEMA-1858-DR-GA	Georgia Dept. of Homeland Security	25,234	–
SUBTOTAL				**25,234**	–
Emergency Management Performance Grants	97.042	OEM15-069	Georgia Dept. of Homeland Security	100,500	–
Emergency Management Performance Grants	97.042	OEM16-069	Georgia Dept. of Homeland Security	11,825	–
SUBTOTAL				**112,325**	–
Assistance to Firefighters Grant	97.044	N/A	Michigan Public Health Institute	5,968	–
SUBTOTAL				**5,968**	–
Homeland Security Grant Program	97.067	EMW-2015-SS-00065-S01	Georgia Dept. of Homeland Security	32,155	–
Homeland Security Grant Program	97.067	EMW-2015-SS-00065-S01	Georgia Dept. of Homeland Security	3,392	–
SUBTOTAL				**35,547**	–
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				**179,074**	–
TOTAL FEDERAL ASSISTANCE				**41,199,491**	**7,803,966**

continued...

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation and Accounting

The accompanying schedule of expenditures of federal 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 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.

The County has elected not to utilize the federal de minimus indirect cost rate.

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 14, 2017. 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. 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.

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*.

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.



Atlanta, Georgia
June 14, 2017

MAULDIN & JENKINS

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

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 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Gwinnett County Board of Health, which received $8,189,575 in federal awards which are not included in the County's Schedule of Expenditures of Federal Awards during the year ended December 31, 2016. 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 the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 14, 2017

GWINNETT COUNTY, GEORGIA

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

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(1) Summary of Auditors' Results

(a) The type of report issued on whether the financial statements audited were prepared in accordance with GAAP: **unmodified opinion**

(b) Internal control over financial reporting:
Material weaknesses identified: **no**
Significant deficiencies identified, not considered to be material weaknesses: **none reported**

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

(d) Internal control over major federal 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 federal programs: **unmodified.**

(f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): **no**

(g) Major Programs:

HOME Investment Partnership Program, CFDA #14.239
Equitable Sharing Program, CFDA #16.922
Federal Transit Grant, CFDA # 20.507

GWINNETT COUNTY, GEORGIA

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

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

(h) Dollar threshold to distinguish between Type A and Type B programs: **$1,235,985**

(i) Audit qualified as a low-risk auditee under the Uniform Guidance: **yes**

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

None.

(3) Findings and Questioned Costs Relating to Federal Awards

None.

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named a **Plan First Community**
by the *Georgia Department of*
Community Affairs in 2016.

Georgia® Department of Community Affairs

PLANFIRST

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 Revenue Bonds, Series 2008*
- *Water and Sewerage Authority Revenue Bonds, Series 2009A and B*
- *Water and Sewerage Authority Refunding Bonds, Series 2011*
- *Water and Sewerage Authority Refunding Bonds, Series 2015*
- *Water and Sewerage Authority Refunding Bonds, Series 2016 and 2016A*

Description of the Water and Sewerage System

The Water System

Gwinnett 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 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 the 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. In 2014, standby generators capable of powering essential treatment processes were installed at both water plants and one raw water pump station was installed.



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 capital improvement 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 the main and 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 3,546 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 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, 2016, the water system had 236,950 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, the City of Dacula's water system in May 1996, and the City of Norcross' water system in 2013.

Water Consumption 2007 – 2016

The following table shows the average daily consumption in MGD of water billed by the Water System during the years 2007 through 2016:

	Gwinnett County Consumption		Out-of-County Consumption	Total Average Daily
Year	Retail	Wholesale	Wholesale	Consumption
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
2015	60.17	1.82	0.21	62.20
2016	68.90	2.15	0.22	71.27

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 11.3 percent for 2016. 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, 2016. Total Gwinnett County water usage during the 12 months ending December 31, 2016, was 25,171,110 thousands of gallons, generating $162,571,479 in usage revenues (excluding late fees). No single retail customer accounted for more than 1.08 percent of total water system usage in 2016, and the 10 largest retail customers together accounted for 3.76 percent of such consumption. Gwinnett County generated $26,051,551 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 – 2016

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	271,347.8	0.74	$ 1,512,412
Gwinnett County Government	229,841.2	0.63	1,257,853
Publix	116,309.5	0.32	567,377
Gwinnett County Jail	85,420.1	0.23	414,287
OFS Brightwave	63,045.4	0.17	305,769
Overlook at Berkeley Lake LLC	39,647.3	0.11	190,399
MTS – Sweetwater	36,000.5	0.10	174,601
Promenade At Berkeley Lake	35,050.1	0.10	170,689
Breckenridge Station HOA	35,031.9	0.10	169,900
Suzanna's Kitchen	34,606.6	0.09	167,842
TOTAL	**946,300.4**	**2.59**	**$ 4,931,129**



Water Use: Wholesale Water Customers – 2016

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
City of Lawrenceville	665,731.7	1.82	$ 3,205,876
City of Loganville	89,639.6	0.24	385,139
City of Buford	35,536.9	0.09	172,355
City of Braselton	1,156.5	0.01	5,609
City of Suwanee	153.3	0.00	743
Walton County Water	146.4	0.00	710
City of Auburn	59.9	0.00	290
Barrow County	2.4	0.00	154
TOTAL	**792,426.7**	**2.16**	**$ 3,770,736**

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 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 Jan 1, 2017	Effective Jan 1, 2019	Effective Jan 1, 2021
Tier 1: $4.92/1,000 gal	Tier 1: $4.99/1,000 gal	Tier 1: $5.06/1,000 gal
Tier 2: $7.38/1,000 gal	Tier 2: $7.49/1,000 gal	Tier 2: $7.59/1,000 gal
Tier 3: $9.84/1,000 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 Jan 1, 2017	Effective Jan 1, 2019	Effective Jan 1, 2021
$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 118 MGD, 110 MGD, 81 MGD, 87 MGD, 87 MGD, 91 MGD, 84 MGD, 71 MGD, 86 MGD, 89 MGD, and 109 MGD for the years 2006 – 2016, 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.

On February 14, 2017, a judicial official urged the U.S. Supreme Court to reject strict new water consumption limits. The recommendation by Ralph Lancaster, a special master appointed by the U.S. Supreme Court to handle the case, found that Florida had "failed to show that a consumption cap" was needed after five weeks of hearing testimony in the case. Lancaster's finding is not final, as the high court can reject his recommendation or take another route. Congress could ultimately weigh in, and further lawsuits cannot be ruled out either.

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.

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 following table shows the permitted capacity in MGD of each treatment facility and the approximate usage for each during 2016.

Sewerage System Capacity and Usage in 2016

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

Wastewater Reclamation Facilities (WRFs)	Permit	ADMMF	AADF
F. Wayne Hill WRC	60.0	37.34	30.6
Crooked Creek WRF	16.0	9.46	7.73
Yellow River WRF	22.0	16.20	13.54
TOTAL SYSTEM[1]	**98.0**	**63.00**	**51.87**

[1] 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 2016, the violations reported were zero, ten, four, two, zero, zero, one, zero, and two, respectively. 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 138 awards from the National Association of Clean Water Agencies and the Georgia Association of Water Professionals in the years 2008 through 2016 for exceptional operations and permit compliance. In 2016, the F. Wayne Hill WRC was named "Co-Plant of the Year" in its size category by the Georgia Association of Water Professionals.

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, 9,640 mg in 2013, 10,659 mg in 2014, 12,056 mg in 2015, and 13,610 mg in 2016 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 reduced long-term operating costs. This savings is possible through economies of scale achieved by building and operating a single large facility. The Yellow River WRF reconstruction went into operation in June 2011, at which time 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 3,026 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 2016 were 31, 30, 22, 23, 14, 25, 24, and 43, 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 industrial 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, 2016, the Sewerage System had 167,907 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 2016. Total Gwinnett County sewer usage during 2016 was 16,668,367 thousands of gallons, generating $144,354,894 in usage revenues (excluding late fees). No single retail user accounted for more than 1.25 percent of total Sewerage System consumption in 2016, and the 10 largest users together accounted for 4.32 percent of such consumption. 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 0.42 MGD of wastewater in 2016 and was billed $1,196,340. The City of Lawrenceville produced 1.60 MGD of wastewater in 2016 and was billed $4,555,862. These two wholesale customers accounted for 2.16 percent of the total Sewerage System consumption.

In June 2015, a Nutrient Recovery Facility began operations at the F. Wayne Hill WRC. This facility can produce up to 40 tons a day of slow release fertilizer. Gwinnett County has a 10-year contract with a commercial distributor to buy the fertilizer at $400 a ton.

10 Largest Retail Sewerage Users – 2016

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	208,390.6	0.57	$ 1,627,384
Gwinnett County Government	151,493.2	0.42	1,244,713
Publix	74,458.7	0.20	771,878
Gwinnett County Jail	73,665.7	0.20	576,065
Overlook at Berkeley Lake LLC	39,647.3	0.11	306,588
MTS – Sweetwater	36,000.3	0.10	281,522
Promenade at Berkeley	35,050.0	0.10	275,203
Breckenridge Station HOA	35,031.0	0.10	274,302
SUNIVA	33,397.6	0.09	251,642
Bridgewater Operating Co	33,109.5	0.09	258,916
TOTAL	**720,243.9**	**2.05**	**$ 5,868,213**

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 1, 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 Rate Jan 1, 2017	Effective Jan 1, 2019	Effective Jan 1, 2021
$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)

	2016	2015	2014	2013	2012
Operating Revenues:					
Residential and commercial service	$ 305,826	$ 293,549	$ 288,199	$ 263,997	$ 259,042
Wholesale service	4,999	4,532	4,287	4,333	5,347
Public fire protection charges to other funds	686	683	677	670	665
Connection charges	1,498	1,431	1,209	1,110	650
Miscellaneous	5,047	5,779	4,635	7,124	5,585
Total operating revenues	318,056	305,974	299,007	277,234	271,289
Operating Expenses:					
Water production	15,322	13,474	14,564	17,492	14,516
Distribution and collection	32,802	30,442	31,090	28,537	28,011
Engineering	5,112	4,547	4,465	4,633	4,771
Reclamation	35,708	35,986	31,826	30,465	30,755
Depreciation and amortization	81,671	78,968	77,632	81,583	66,784
General and administrative	31,890	21,579	26,692	30,404	31,521
Total operating expenses	202,505	184,996	186,269	193,114	176,358
Operating income	115,551	120,978	112,738	84,120	94,931
Non-operating Revenues (Expenses):					
Intergovernmental	–	–	–	–	586
Investment earnings	272	1,426	868	355	556
Interest expense	(25,589)	(34,569)	(38,402)	(40,770)	(42,843)
Loss on disposal of fixed assets	(1,526)	(17,667)	(1,902)	(26,582)	(21,576)
Income before operating transfers and contributions	88,708	70,168	73,302	17,123	31,654
Capital contributions	51,033	43,978	29,051	21,471	13,449
Transfers in	–	130	–	–	–
Transfers out	(165)	(165)	(165)	(165)	(165)
Increase in net position	139,576	114,111	102,188	38,429	44,938
Net position, January 1	2,604,468	2,490,357	2,399,833	2,361,404	2,316,466
Net position, December 31	$ 2,744,044	$ 2,604,468	$ 2,502,021	$ 2,399,833	$ 2,361,404

Security for the Bonds

General

The Series 2008, 2009A, 2009B, 2011, 2015, 2016, and 2016A 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 Supplemental 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 and 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, 2011, and 2015 Bonds and any additional bonds or obligations issued therewith.

The Water and Sewerage 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.

The Water and Sewerage 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.

The Water and Sewerage 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.

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. On August 3, 2015, the Water and Sewerage Authority issued $127,215,000 in Refunding Bonds ("2015 Refunding Bonds"). The 2015 Refunding Bonds were issued at a true interest cost of 1.74 percent and resulted in a total debt service savings of $9.8 million and a net present value savings of $9.2 million, or 7.3 percent of the refunded par amount. The debt service savings will begin in 2016.

In April of 2016 the Gwinnett Water and Sewerage Authority and the Gwinnett County Board of Commissioners approved a resolution to provide for the issuance of Gwinnett County Water and Sewerage Authority Revenue Refunding Bonds, Series 2016A (the "Series 2016A Bonds") pursuant to and in conformity with the terms and conditions of a Trust Indenture dated as of October 1, 2004, between the Authority and the Bank of New York Mellon Trust Company, N.A., as Trustee, as supplemented, to finance, in whole or in part, the cost of acquiring by redemption, payment or otherwise all of the Gwinnett County Water and Sewerage Authority Revenue Bonds, Series 2008 maturing on and after August 1, 2019 and paying expenses necessary to accomplish same. This authorized the execution and delivery of a Supplemental Lease Contract with Gwinnett County, Georgia in connection to provide for the redemption of the Series 2008 Bonds to be refunded.

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 the 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 2008, 2009A, 2009B, 2011, 2015, 2016, and 2016A are as follows:

	Second Lien						
Bond Year Ending December 31	Debt Service Requirements 2008	Debt Service Requirements 2009A	Debt Service Requirements 2009B	Debt Service Requirements 2011	Debt Service Requirements 2015	Debt Service Requirements 2016	Debt Service Requirements 2016A
2017	10,903,750	17,788,488	1,301,548	18,368,950	33,121,055	5,949,096	2,467,231
2018	10,904,250	17,788,088	1,301,548	18,366,500	33,133,912	5,834,328	2,467,231
2019	–	17,784,688	1,301,548	18,368,750	8,632,025	11,870,386	15,992,231
2020	–	17,787,688	1,301,548	18,365,950	8,596,781	11,897,130	15,988,659
2021	–	17,786,088	1,301,548	18,364,700	8,569,710	11,932,974	15,991,284
2022 – 2026	–	88,935,088	6,507,738	73,469,500	8,515,638	77,696,430	79,950,523
2027 – 2029	–	32,866,800	27,645,643	–	–	–	31,977,779
Total	**21,808,000**	**210,736,928**	**40,661,121**	**165,304,350**	**100,569,121**	**125,180,344**	**164,834,938**

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)*.



Other Information

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

ABOUT THE COVER



Special Purpose Local Option Sales Tax

Gwinnett voters approved the County's first SPLOST program in 1985, which funded the construction of the Gwinnett Justice and Administration Center. Since then, voters have approved a series of SPLOST programs in Gwinnett, which included projects such as the Infinite Energy Center convention facilities and new parks and recreation facilities, including Little Mulberry Park (as shown on the front cover). Road improvements, such as the Diverging Diamond Interchange at Pleasant Hill Road and I-85 new police and fire stations, and joint county/city projects such as the Lilburn Branch of the Gwinnett County Public Library and Lilburn City Hall (above) are also funded by SPLOST dollars. For more than 30 years, SPLOST programs have added value to the community by funding projects that support core services and enhance our infrastructure.

Voters renewed the SPLOST program on November 8, 2016, which will fund transportation and joint city/county projects, as well as parks, public safety, and senior facilities. The new program will begin in April 2017 and is estimated to raise $950 million for capital projects. Learn more about SPLOST at www.gwinnettsplost.com.

Prepared by: Department of Financial Services

Editing, Layout and Design, and Photographs: Communications Division

Created: Spring 2017

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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