COMPREHENSIVE

2017

ANNUAL FINANCIAL REPORT



PREPARED BY THE FORSYTH COUNTY FINANCE DEPARTMENT FOR THE YEAR ENDED DECEMBER 31, 2017



Prepared by the Forsyth County
Finance Department

110 E. Main Street, Suite 255
Cumming, GA 30040

For the year ended
December 31, 2017

INTRODUCTORY SECTION

2017 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	i-iv
Letter of Transmittal	v-x
Certificate of Achievement for Excellence in Financial Reporting	xi
List of Officials	xii
Organizational Chart	xiii
FINANCIAL SECTION	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25
Statement of Fiduciary Net Position – Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	27
Notes to Financial Statements	28-75
Required Supplementary Information:	
General Fund – Budgetary Comparison Schedule – GAAP Basis	76 and 77
Fire District Fund – Budgetary Comparison Schedule – GAAP Basis	78
Schedule of Funding Progress	79
Schedule of Changes in the County's Net Pension Liability and Related Ratios	80
Schedule of County Contributions	81
Schedule of Pension Investment Returns	82

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds 83

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 84

Victims Rights & Assistance Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 85

Drug Abuse Treatment & Education – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 86

Emergency 911 Telephone System – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 87

Sheriff's Law Enforcement – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 88

District Attorney Seizure – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 89

Law Library – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 90

Juvenile Court – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 91

Grant Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 92

Insurance Premium Tax – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 93

County Jail – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 94

Hotel/Motel Tax – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 95

Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 96

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 97

Combining Statement of Net Position – Internal Service Funds 98

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds 99

Combining Statement of Cash Flows – Internal Service Funds 100

Combining Statement of Assets and Liabilities – Agency Funds 101

Statement of Changes in Assets and Liabilities – Agency Funds ..... 102 and 103

Statement of Revenues, Expenditures, and Changes in Fund Balances – Component Unit – Forsyth County Public Facilities Authority 104

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends

Net Position by Component 105
Changes in Net Position ..... 106 and 107
Fund Balances of Governmental Funds ..... 108 and 109
Changes in Fund Balances of Governmental Funds ..... 110 and 111
General Governmental Tax Revenues by Source 112

Revenue Capacity:

Assessed Value and Estimated Actual Value - All Taxable Property 113
Direct and Overlapping Property Tax Rates 114
Principal Property Taxpayers 115
Property Tax Levies and Collections 116
Top 10 Water Customers 117
Top 10 Sewer Customers 118
Water System Rates, Fees and Charges 119

Debt Capacity:

Ratios of Outstanding Debt by Type 120
Other Long-Term Liabilities 121
Ratios of General Obligation Debt Outstanding 122
Direct and Overlapping Governmental Activities Debt 123
Legal Debt Margin Information 124
Pledged Revenue Coverage 125

Demographic and Economic Information:

Demographic and Economic Statistics 126
Principal Employers - Current and Nine Years Ago 127

Operating Information:

Full-Time Equivalent County Government Employees by Function 128
Operating Indicators by Function 129
Capital Asset Statistics by Function 130
Water System Statistics 131

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

SINGLE AUDIT SECTION

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*.....132 and 133

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....134-136

Schedule of Expenditures of Federal Awards..... 137

Note to Schedule of Expenditures of Federal Awards 138

Schedule of Findings and Questioned Costs.....139-140

Schedule of Prior Findings..... 141

Management's Corrective Action Plan..... 142

TODD LEVENT
CHAIRMAN

LAURA SEMANSON
VICE CHAIRMAN

DENNIS T. BROWN
SECRETARY

RALPH J. AMOS
MEMBER

CINDY JONES MILLS
MEMBER

ERIC R. JOHNSON
COUNTY MANAGER

June 21, 2018

TO THE CITIZENS OF FORSYTH COUNTY:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirements, we hereby issue the comprehensive annual financial report of Forsyth County, Georgia for the fiscal year ended December 31, 2017.

This report consists of management's representations concerning the finances of the county. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the county has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the county's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the county's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, LLC, a firm of licensed certified public accountants, have audited the county's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended December 31, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Forsyth County, Georgia's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of federal and state financial assistance, the county is also responsible for ensuring that adequate internal controls are in place to assure compliance with applicable laws and regulations related to those programs. Thus, internal controls are subject to periodic evaluation by management.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The county's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Forsyth County is conveniently located 30 miles north of Atlanta in the foothills of the Appalachian Mountains next to Lake Lanier and the Chattahoochee River. The county was named for the Honorable John Forsyth, who had a long and distinguished public career as the Governor of Georgia, U.S. Representative, U.S. Senator, and Secretary of State under Presidents Jackson and Van Buren. Forsyth County is nestled alongside 200-miles of Lake Lanier shoreline, which serves as the major recreational and tourism site in the county. The county is bordered on the north by Dawson County, on the east by Hall and Gwinnett Counties, on the south by Fulton County (which contains the majority of the City of Atlanta), and on the west by Cherokee County.

The governing authority consists of a five-member Board of Commissioners. The Board of Commissioners is elected by voters each living within specific districts to serve four-year terms. Each year in January, the five members elect one of their own to serve as chairman for the coming year. Elections for the Board of Commissioners are staggered, so as to provide some continuity on the board. A County Manager is appointed by and responsible to the Board of Commissioners to direct the daily operations of Forsyth County government.

Services provided to approximately 227,967 Forsyth citizens residing in the 247 square mile area include: police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events. Water and Sewer services are provided through a legally separate Water and Sewer Authority, which functions, in essence, as a fund of the county and therefore has been included as an integral part of the county's financial statements. The county also is financially accountable for a legally separate Health Department, a legally separate Library, and a legally separate Public Facilities Authority, each of which are reported separately within the county's financial statements. Additional information on all four of these legally separate entities can be found in Note 1 in the notes of the financial statements.

The county adopts annual appropriated budgets for its General Fund, its Special Revenue Funds, and its Debt Service Funds using a basis of accounting consistent with generally accepted accounting principles. Adopted annual budgets are not legally required for any of the County's Proprietary Funds, Fiduciary Funds and Capital Project Funds; however, the county prepares annual operating budgets for its Proprietary Funds and the Capital Outlay Fund for planning, control, cost allocation, and evaluation purposes.

Departments and county offices prepare revenue and expenditure estimates, which are reviewed by the Finance Committee. The Chief Financial Officer prepares a proposed line item operating budget and submits it to the Board of Commissioners. Public Hearings are conducted in the county to obtain taxpayer comments on the proposed budget. The Board of Commissioners is required to adopt the final budget on or before December 31 at an official commission meeting. Budgetary control is maintained at the department/office appropriation level. Budget amendments must be authorized by the Board of Commissioners through a budget resolution. The County Manager is authorized to transfer certain line item budgeted amounts within any department, under certain conditions. Expenditures that would increase total department/office appropriations require the approval of the Board of Commissioners.

LOCAL ECONOMY

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

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

The U.S. Census Bureau has named Forsyth County as the 11th fastest growing county in the nation as well as the fastest growing county in Georgia for 2017 estimating the county's population expanded by 3.2% between 2016 and 2017. In all, Forsyth added 6,958 new residents during that period. By 2040, Forsyth County's population is projected to increase by 110%. Forsyth County employs more than 108,454 within its boundaries with approximately 5,897 licensed businesses. Existing companies are continuing to expand within our community, serving as a large source for new jobs. As of December 2017, the county's unemployment rate was 3.4%, which is lower than the State of Georgia (4.5%) and the United States (4.1%).

Due to its proximity to Atlanta, Forsyth County continues to provide a vibrant community complete with a thriving economy and a school system known for its excellence. In September 2010, America's Promise Alliance announced Forsyth County as one of the "100 Best Communities for Young People".

- The County was originally dominated by the poultry, horse and farming industries, and two industry giants Tyson Foods and Koch Foods still play a major role in the area's economy. Over the past 10 years over 70 international companies have moved to the county, with 20 having national or regional headquarters. The medical and life science industries remain the county's fastest growing industry sectors. Northside Hospital-Forsyth is ranked the number two employer in the county.
- The new University of North Georgia Cumming campus, which opened in fall 2012, is meeting the need for higher education in the northeast Georgia region. Located off Georgia Highway 400 at Pilgrim Mill Road [exit 16], the new instructional center offers a range of two and four year undergraduate programs, graduate programs and professional development opportunities.
- The Forsyth County School system, serving approximately 48,000 students, is the seventh largest school system in Georgia, operating 37 schools within the county. The public school system is Forsyth County's largest employer with over 5,100 staff members. Classrooms are technologically advanced, as the school system places a heavy emphasis on being on the cutting edge of new technology and methods of teaching.

Major Initiatives & Accomplishments

- In September 2014, Forsyth County's bond rating was upgraded to AAA with a stable outlook by S&P. The County now retains the highest rating available with both Moody's and Standard and Poor's. Moody's reaffirmed the rating on the county's latest bond refunding issue in December 2017. Having a high rating allows the County to enjoy lower interest rates when borrowing and realize monetary savings on bonds.
- Beginning in March 2016, the Forsyth County Department of Planning & Community Development began the course of updating the County's Comprehensive Plan through a process named Foster Forsyth. The year-long effort included a broad public outreach component and the appointment of two committees to assist in the formulation of a community vision and strategies to address future land use. The Board of Commissioners adopted the plan on July 6, 2017.
- On November 4, 2014, Forsyth County voters approved a general obligation bond up to $200 million to finance a variety of transportation projects. The County issued the initial $100 million in bonds on April 30, 2015 and sent $34.5 million to the Georgia Department of Transportation for the GA 400 road widening (from 4 lanes to 6 lanes) partnership project. Construction is expected to be complete in fall of 2018.

Improved Service Delivery

- The Forsyth County Fire Department received an improved rating – from a 5 to a 3 – from the Insurance Services Office (ISO) in 2015, resulting in potential insurance savings for residents and businesses.
- Construction was completed for replacement of Fire Station #8 which was opened in April 2017. Station #8 includes four stalls on Keith Bridge Road. The new John's Creek area Fire Station #6 was also opened in March 2017. The additional station will bring the county total to 13 stations and provide increased coverage for the heavily populated south county area.
- In 2017, there were more than 660,000 visits to Forsyth County Public Library branches, more than 2.4 million items checked out, more than 250,000 information questions answered by staff, and more than 110,000 patrons attending library programs.

- In 2017, the expansion construction of the Sharon Forks Library in southeast Forsyth County continued with the reopening in the spring 2018. The expansion adds about 18,000 square feet, almost doubling the building's size.
- Sexton Hall Enrichment Center reopened in May 2017 after constructing a major expansion to the facility. Improvements include a new serving kitchen for meal programs, room for a memory support respite program, an updated entry with a large canopy and automatic entrance, an art addition featuring a kiln room for the ceramics program, office and storage space, and additional bathrooms.
- A 38-foot climbing tower was added to Sawnee Mountain Preserve. The tower offers 2,208 square feet of climbing area for rope climbing and rappelling. The new tower was made possible through a donation from the Sawnee Mountain Foundation.
- In August, the Thor Guard Lightning Detection System was installed at nine county parks. Designed to warn of potential lightning strikes in the area, the system is now in place at all of the county parks athletic facilities.

Parks, Recreation and Green Space Bond Dollars at Work

- Chattahoochee Pointe Park, bordering the Chattahoochee River, extended its trail to a 5k distance and added a new restroom building in February. The facilities include a canoe launch, two pavilions, a river-themed nature-inspired playground, and walking trails. The project is funded by the 2008 voter-approved Parks, Recreation and Green Space Bond and the Special Purpose Local Option Sales Tax (SPLOST) VI sales tax program.
- The county's newest passive park, Eagle's Beak Park at Settingdown Creek opened on August 7th. The 226 acre park features a canoe and kayak launch on the Etowah River, a 1.5 mile nature trail, restroom facility and parking. Funding came from the Parks, Recreation and Green Space Bond and SPLOST VI program.
- In March the new 109 acre Lanierland Park opened in northeast Forsyth County, which features four artificial turf rectangular sports fields, four picnic pavilions, a playground, along with a restroom and concession facilities plus parking. Funding is provided from the Parks, Recreation and Green Space Bond and parks impact fees.

LONG – TERM FINANCIAL PLANNING

Forsyth County's Department of Planning and Community Development worked with the various county offices and departments to complete the annual update of the Community Work Program (CWP) of the Comprehensive Plan. The CWP provides a year by year listing, over the next five-year period, of capital improvements needed for continued, effective service delivery for the citizens of this growing County. Portions of the annual CWP addendum became the Schedule of Improvements for the 2016 Annual Update of the Impact Fee Program adopted by the Commission in October 2017. These plans provide a framework for addressing the financing of those capital needs.

Forsyth County strives to improve its financial position for the longer term. As a result of conservative budgeting, continuous financial monitoring, and budget cuts, the unassigned fund balance in the general fund (44% of total 2017 adopted general fund budget) exceeds the policy guidelines set by the Board of Commissioners for budgetary and planning purposes. The county also prepares the annual budget with the following years always in view.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officer Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Forsyth County, Georgia for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. This was the fifteenth consecutive year the county has received this prestigious award. This award honors an easily readable, efficiently organized, Comprehensive Annual Financial Report (CAFR) that conforms to program standards and satisfies both GAAP and applicable legal requirements.

The Government Finance Officer Association (GFOA) awarded the Distinguished Budget Presentation Award to Forsyth County, Georgia for its annual budget for the fiscal year beginning January 1, 2017. This was the fifth year the county has received this prestigious award. This award is the highest form of recognition in governmental budgeting. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation, design and publication of this year's Comprehensive Annual Financial Report would not have been possible without the continuous commitment of the Finance Department staff throughout the year. Sincere appreciation also goes to the various county departments and offices for their assistance and enthusiasm throughout the year in matters pertaining to the financial affairs of the county. We also thank the accounting firm of Mauldin & Jenkins, LLC for their contributions of technical guidance and dedication to the highest professional standards of governmental accounting. Finally, we thank the Board of Commissioners for their support and direction in conducting the financial affairs of the county in a responsible manner.

Respectfully submitted,

Eric R. Johnson
County Manager

David R. Gruen
Chief Financial Officer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Forsyth County

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

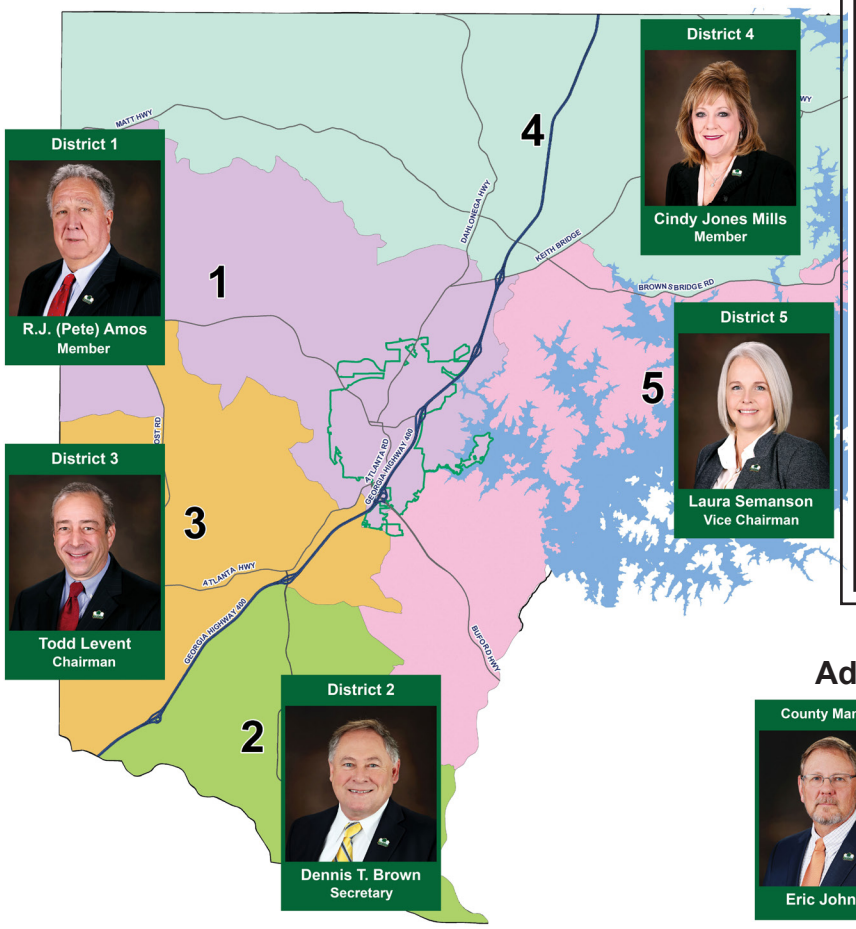
December 31, 2016

Christopher P. Morrill

Executive Director/CEO

Officials of Forsyth County

2017-2018 Board of Commissioners



Judicial and Other Elected Officials

Jeffrey S. Bagley	Superior Court Chief Judge
David L. Dickinson	Superior Court Judge
Philip C. Smith	Superior Court Judge
T. Russell McClelland	State Court Chief Judge
Leslie C. Abernathy-Maddox	State Court Judge
Walker H. Bramblett	Chief Magistrate Judge
Lynwood D. Jordan Jr.	Probate Court Judge
J. Russell Jackson	Juvenile Court Chief Judge
Randall A. Meincke	Associate Juvenile Court Judge
Penny Penn	District Attorney
William F. Finch	Solicitor-General
Greg G. Allen	Clerk of Court
Matthew C. Ledbetter	Tax Commissioner
Lauren McDonald III	Coroner
Ron Freeman	Sheriff

Administration

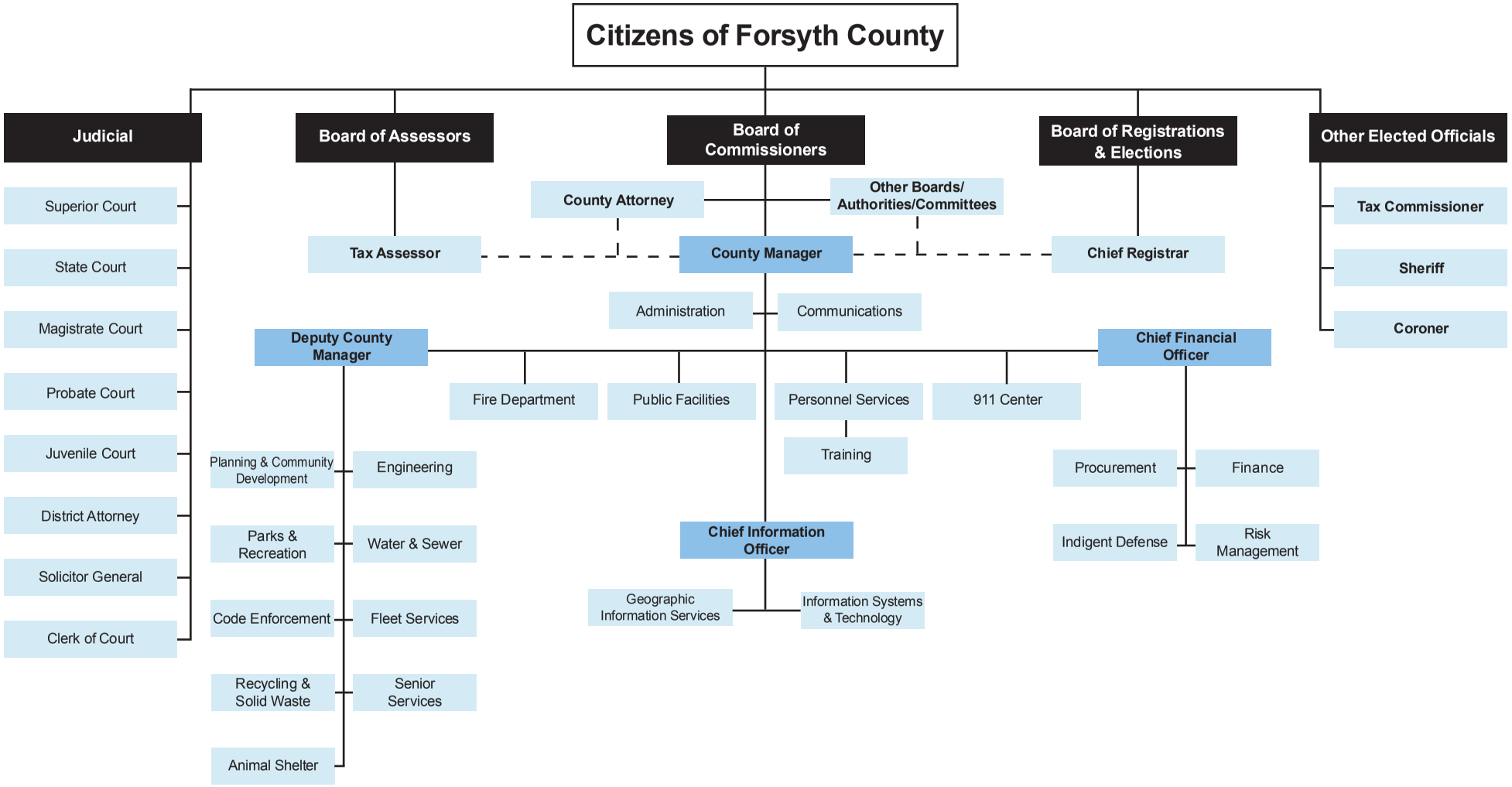


Finance



County Department Heads

Danny Bowman	Fire and Emergency Management
Ruthie Brew	Senior Services
Connie Brooker	Indigent Defense
Tom Brown	Planning & Community Development
Pat Carson	Personnel Services
Charity Clark	Risk Management
John Cunard	Engineering
Jodi Gardner	Communications
Pat Giordano	911 Center
Avery Gravitt	Fleet Services
Cynthia Iacopella	Animal Shelter
Brandon Kenney	Information Systems & Technology
John Kilgore	Geographic Information Services
Mary Kirkpatrick	Board of Assessors
Donna Kukarola	Procurement
Barbara Luth	Voter Registration and Elections
Anna Lyle	Library
Tim Perkins	Water & Sewer
Jim Pryor	Parks & Recreation
Stephen Rhodes	Public Facilities
Rebecca Whitmire	Finance
Tammy Wright	Recycling & Solid Waste
Steve Zaring	Code Enforcement



Organizational Chart

FINANCIAL SECTION

2017 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Forsyth County, Georgia** (the "County"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Forsyth County Health Department, which represents 6 percent, 52 percent, and 16 percent, respectively, of the assets, overall deficit net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Forsyth County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Forsyth County, Georgia as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 17), the budgetary comparison information for the General Fund and the Fire District Fund (on pages 76 through 78), the schedule of funding progress, the schedule of changes in the County's net pension liability and related ratios, the schedule of County contributions, and the schedule of pension investment returns (on pages 79 through 82) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, schedule of expenditures of federal awards, and schedule of expenditures of special purpose local option sales tax proceeds (collectively "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018, 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 solely 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 the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 20, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

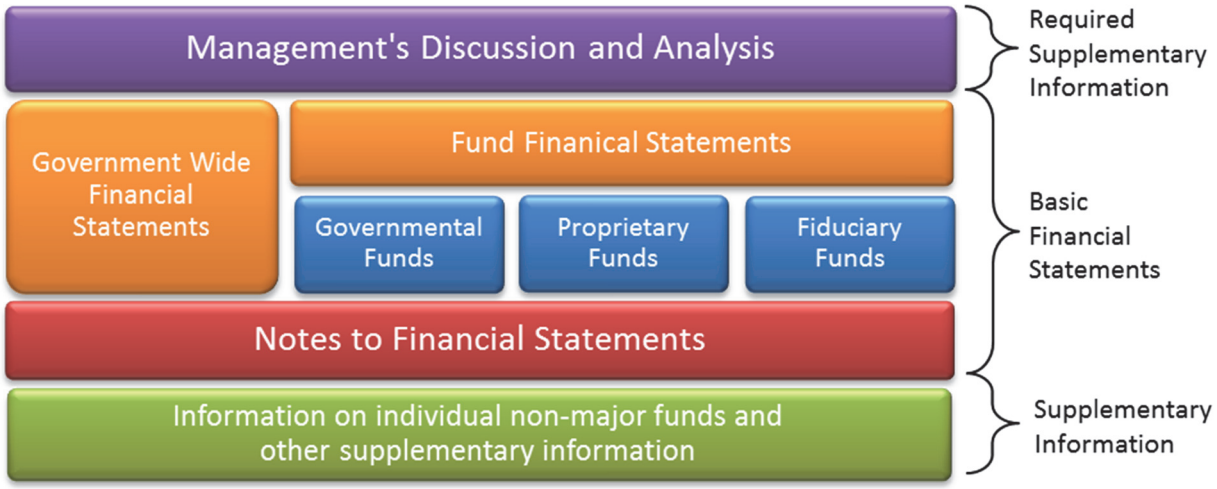
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the transmittal letter on page v and the County's financial statements, which begin on page 18.

GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $1.59 billion (net position) at December 31, 2017. Of this amount $1.09 billion is governmental activities and $496.3 million is business-type activities.
- The combined revenue total for the County is $343.0 million, a 6.26% increase from 2016. Of the combined total governmental activities is $251.6 million and business-type activities is $91.4 million.
- The combined expense total for the County is $236.2 million, a 4.14% increase from 2016. Of the combined total governmental activities is at $188.0 million and business-type activities is $48.2 million.
- At December 31, 2017, the County's governmental funds reported combined ending fund balance is $202.0 million, an increase of $16.0 million (8.62%) from the 2016 fund balance. The unassigned fund balance for various governmental funds is $51.2 million.
- The County's total debt decreased by $19.3 million (4.26%) from fiscal year 2016, primarily due to the County paying scheduled annual principal payments and refunding GO debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Forsyth County's basic financial statements. Forsyth County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The illustration below demonstrates the format.



Government-wide Financial Statements. The government-wide financial statements, presented on pages 18 and 19, provide a broad overview of Forsyth County finances in a manner similar to that of private-sector businesses. The statements include:

- *Statement of net position* presents the County's assets and liabilities, with the difference between the two reported as net position. Over time, the change in net position is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.
- *Statement of activities* presents the revenues and expenses of the County. The difference between these is the change in net position for the year.

Both of the government-wide financial statements identify the various functions of Forsyth County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Forsyth County, Georgia include general government, culture and recreation, judicial, public works, health and welfare, housing and development, and public safety. The business-type activities of Forsyth County, Georgia include the Water and Sewer Authority and Solid Waste operation.

The government-wide financial statements include not only Forsyth County, Georgia itself (known as the primary government), but also a legally separate Health Department, Library, and Public Facilities Authority for which Forsyth County, Georgia is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself. The Water and Sewer Authority, although also legally separate functions for all practical purposes as a department of Forsyth County, Georgia, and therefore has been included as an integral part of the primary government.

Fund financial statements. A fiscal accountability fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

At December 31, 2017, the County maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, fire fund, and SPLOST fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General fund, special revenue funds, one capital projects fund and debt service funds. Project length budgets are adopted for capital project funds. Annual operating budgets are prepared for each enterprise and internal service fund for planning control and cost allocation. A budgetary comparison schedule has been provided for the general fund, special revenue funds, and debt service funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-22 of this report.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water and Sewer Authority and Solid Waste operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. For 2017, the County used internal service funds to account for risk management, workers' compensation, employee health benefits and fleet maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Authority and for the Solid Waste operation, both of which are considered to be major funds of the County. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

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

The basic fiduciary fund financial statements can be found on pages 26 and 27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-75 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension benefits to its employees, and employer pension contributions. Combining and individual fund statements and schedules can be found on pages 76-104 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Forsyth County, Georgia, assets exceeded liabilities by $1.59 billion at the close of the most recent fiscal year. This is an increase of $107 million or 7.21% from fiscal year 2016.

FORSYTH COUNTY, GEORGIA'S NET POSITION

December 31, 2017

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and other assets	$ 317,102	$ 301,048	$ 136,714	$ 158,593	$ 453,816	$ 459,642
Capital assets (net of depreciation)	1,103,839	1,067,801	605,806	541,048	1,709,645	1,608,849
TOTAL ASSETS	1,420,941	1,368,849	742,520	699,641	2,163,461	2,068,490
DEFERRED OUTFLOWS OF RESOURCES	10,874	10,498	6,515	7,056	17,389	17,554
LIABILITIES						
Other liabilities	19,057	26,714	49,658	42,915	68,715	69,629
Long-term liabilities outstanding	231,684	244,165	203,054	209,929	434,738	454,094
TOTAL LIABILITIES	250,741	270,880	252,712	252,843	503,453	523,723
DEFERRED INFLOWS OF RESOURCES	90,022	81,772	-	-	90,022	81,772
NET POSITION						
Net investment in capital assets	990,472	961,421	421,278	358,440	1,411,750	1,319,861
Restricted	62,291	34,665	4,117	3,939	66,408	38,604
Unrestricted	38,289	30,637	70,928	91,475	109,217	122,112
TOTAL NET POSITION	$ 1,091,052	$ 1,026,723	$ 496,323	$ 453,854	$ 1,587,375	$ 1,480,577

Source: Statement of Net Position

The largest component of the County's net position, $1.41 billion (88.94%) at December 31, 2017, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

The next component of the County's net position consists of restricted net position, $66.4 million (4.18%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net position, $109.2 million (6.88%), may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Forsyth County's net position in governmental activities increased by $64.3 million (6.27%), due in part to an overall increase in revenues, an increase in capital assets and generally by keeping the total expenditures below the level of revenue collections. Net position in business-type activities increased by $42.5 million (9.36%). The county's overall net position increased indicating that the County's financial position has continued to grow along with the increases in its population and economy.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

Changes in Net Position. Governmental and business-type activities increased the County's net position by $106.8 million by the end December 31, 2017.

The following table gives a comparison for the changes in net position in governmental and business type activities for fiscal year 2016 and 2017.

FORSYTH COUNTY, GEORGIA'S CHANGES IN NET POSITION

December 31, 2017

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Charges for services	$ 41,291	$ 33,936	$ 43,172	$ 48,023	$ 84,463	$ 81,959
Operating grants and contributions	1,442	2,190	-	-	1,442	2,190
Capital grants and contributions	26,121	19,743	47,067	45,429	73,188	65,172
General Revenues:			-	-	-	-
Property taxes	86,347	81,779	-	-	86,347	81,779
Sales taxes	69,718	66,721	-	-	69,718	66,721
Title ad valorem tax	8,696	7,994	-	-	8,696	7,994
Insurance premium tax	10,173	9,499	-	-	10,173	9,499
Other taxes	5,024	5,034	-	-	5,024	5,034
Unrestricted investment earnings	1,828	1,091	1,079	518	2,907	1,609
Intergovernmental revenue, not restricted for a specific programs	-	-	33	32	33	32
Other	970	786	24	-	994	786
TOTAL REVENUES	$ 251,610	$ 228,773	$ 91,375	$ 94,002	$ 342,985	$ 322,775
EXPENSES						
General Government	34,717	27,993	-	-	34,717	27,993
Judicial	15,272	14,827	-	-	15,272	14,827
Public Safety	77,125	75,028	-	-	77,125	75,028
Public Works	26,346	30,155	-	-	26,346	30,155
Health and Welfare	3,011	3,128	-	-	3,011	3,128
Culture and Recreation	19,255	17,268	-	-	19,255	17,268
Housing and Development	6,524	5,978	-	-	6,524	5,978
Interest	5,781	6,792	-	-	5,781	6,792
Solid Waste Disposal Facility	-	-	888	995	888	995
Water and Sewer	-	-	47,267	44,664	47,267	44,664
TOTAL EXPENSES	188,031	181,169	48,155	45,659	236,186	226,828
Increase in net position before transfers	63,579	47,604	43,220	48,343	106,799	95,947
Transfers	750	733	(750)	(733)	-	-
Increase in net position	64,329	48,337	42,470	47,610	106,799	95,947
Net position, beginning of year	1,026,723	978,386	453,853	406,244	1,480,576	1,384,630
Prior Period Adjustments					-	-
Net position, end of year	$ 1,091,052	$ 1,026,723	$ 496,323	$ 453,854	$ 1,587,375	$ 1,480,577

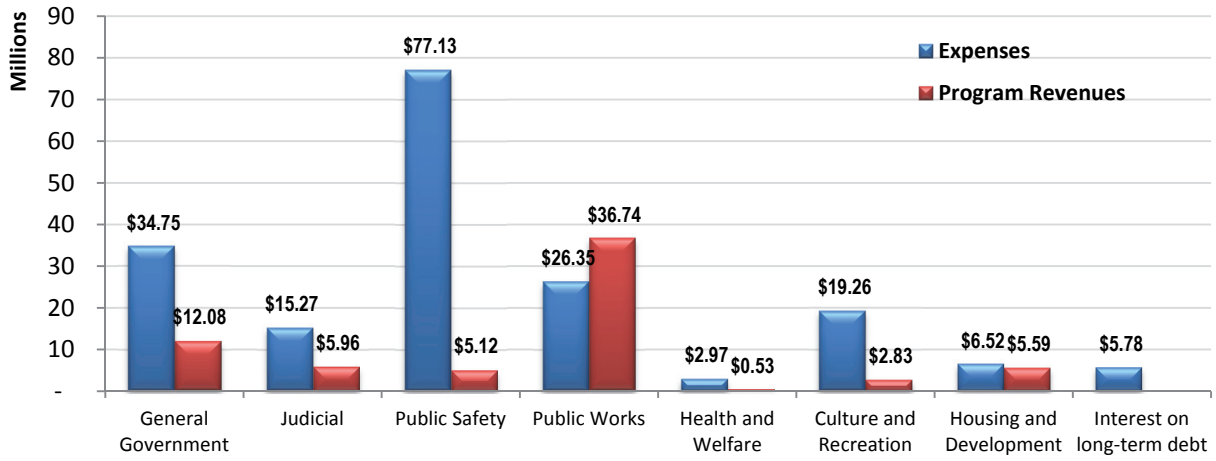
Source: Statement of Activities

Governmental Activities. Governmental activities increased the County's net position by $64.3 million thereby accounting for 60.23% of the total growth in net position. Key elements of this increase are as follows:

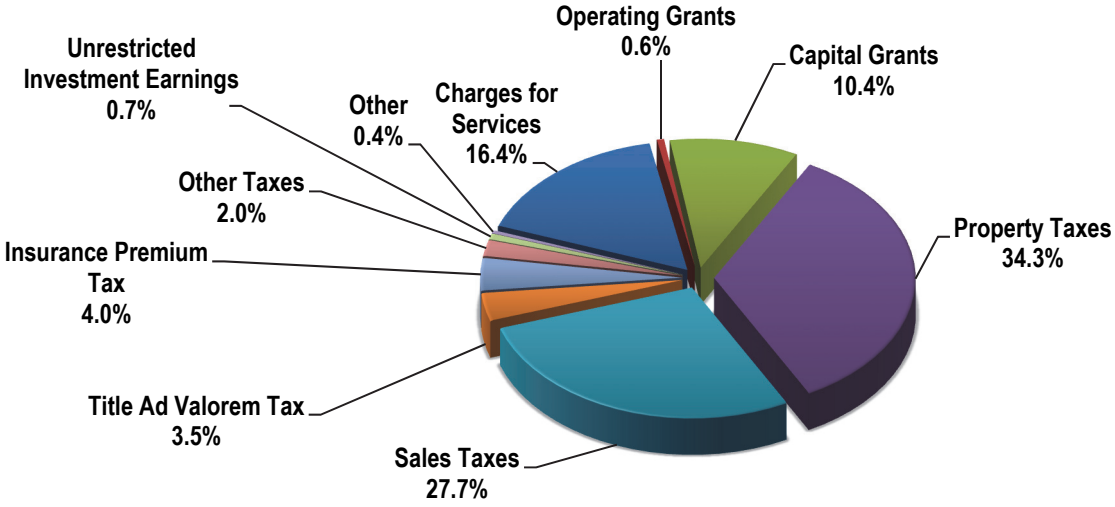
- The County's governmental activities relied on the following revenue sources in 2017: $41.3 million in charges for services, $27.6 million for grants and contributions, $180.0 million in taxes, $1.8 million in investment earnings and $1.0 million in other revenue. Total program and general revenue for 2017 is $251.6 million.
- Total revenues for governmental activities increased by $22.8 million or 9.98% from fiscal year 2016. Property taxes totaling $86.3 million is the largest revenue source for the county. Operating grants and contributions decreased by $0.7 million, while capital grants and contributions increased by $6.4 million. Sales tax revenues combined with the Title Ad Valorem Tax increased by $3.7 million. The TAVT was passed by the state legislature to replace the sales tax on new vehicles and the annual property tax on tag renewals.
- Expenses for 2017 increased by $6.9 million or 3.79% from 2016. The largest increase was $6.7 million in general government primarily related to increased costs for facilities and technology.

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

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITES



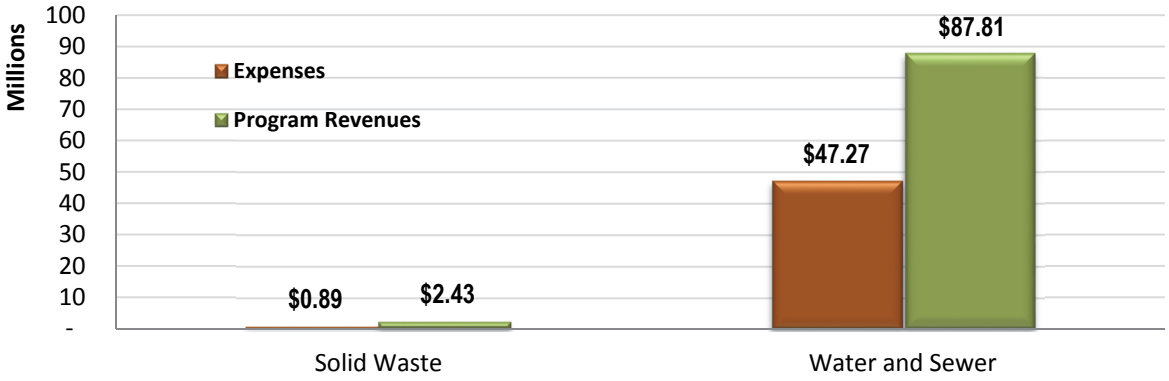
REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



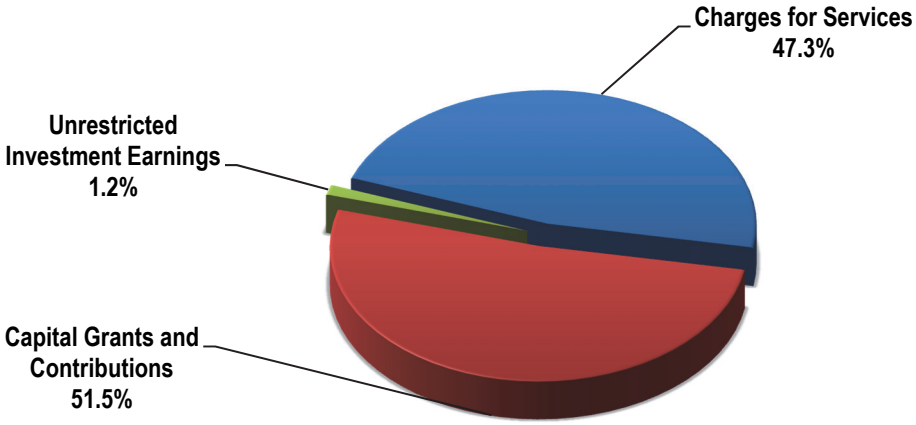
Business-type activities. Business-type activities increased the County's net position by $42.5 million, accounting for 39.77% of the total growth in net position. A key element of this increase is Water and Sewer Authority capital contributions of $47.1 million, which includes developers' system contributions.

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

EXPENSES AND PROGRAM REVENUES - BUSINESS-TYPE ACTIVITES



REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

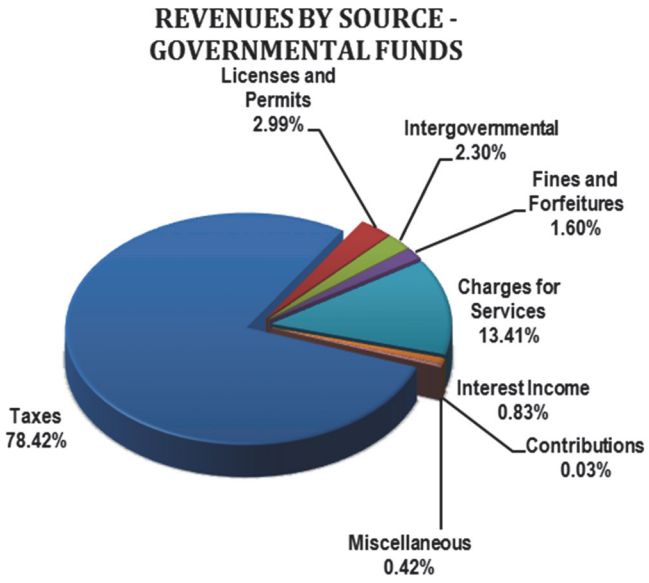
GOVERNMENTAL FUNDS
CHANGES TO FUND BALANCE
($ in thousands)

	2017	2016	Inc/Dec	% Inc/Dec
General Fund	$ 53,402	$ 54,186	$ (784)	-1.45%
Fire District	6,404	5,269	1,135	21.54%
SPLOST	17,782	(1,331)	19,113	-1435.99%
Nonmajor Governmental Funds	124,459	127,889	(3,430)	-2.68%
Fund Balance	**$ 202,047**	**$ 186,013**	**$ 16,034**	**8.62%**

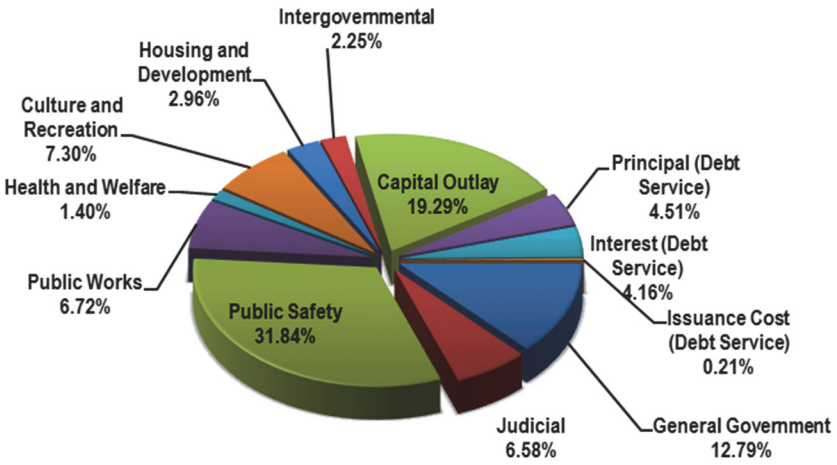
Source: Statement of Revenues, Expenditures and Changes to Fund Balances

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $202.0 million, an increase of $16.0 million in comparison with the fund balance for 2016. Approximately 25.4% of this total amount, $51.2 million, constitutes unassigned which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed, and assigned to indicate that it is not available for new spending because it has been restricted by state law for specific projects, to liquidate contracts and purchase orders of the prior period, to pay debt service, and for a variety of other purposes.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was $51.6 million, which represents 96.68% of total general fund balance. The fund balance decreased by $0.8 million during the current fiscal year. This decrease is due to an increase in the amount transferred to the Capital Projects Fund.



EXPENDITURES BY FUNCTION - GOVERNMENTAL FUNDS



The fund balance of the County's fire fund increased by $1.1 million during the current fiscal year. This increase is due to the increase in tax collections from growth in the property tax digest staying ahead of the increase in operating costs.

The fund balance of the County's SPLOST fund increased by $19.1 million during the current fiscal year. This is due to monthly sales tax collections coming in at a faster rate than the current costs of the planned long-term construction projects.

The fund balance of the County's debt service fund increased by $0.9 million during the current fiscal year. The debt service fund has an ending fund balance of $16.6 million. This change is due to the scheduled payments of principal and interest on the County's general obligation bonds for which these funds are restricted and savings realized from successful bond refundings at much lower interest rates.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total operating revenues for the Water and Sewer Authority was $40.7 million, an decrease of $5.0 million from 2016. This is due to a decrease in water sales revenues. The department's water customer count grew by 1,946, or 3.39%, new connections to a year-end total of 59,365 and sewer customer count increased by 1,731, or 5.94%, to a year-end total of 30,867. Total operating expenses were $43.2 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2017 is $1.710 billion. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide net additions in 2017 are $100.8 million with $36.0 million in government-type activities and $64.8 million net increase in business-type activities. Net investment in capital assets is $1.401 billion with $979.2 million for governmental activities and $421.3 million for business-type activities. This is a 6.11% increase from the previous fiscal year.

FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS

(in the thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Land and improvements	$ 448,998	$ 437,764	$ 30,540	$ 29,875	$ 479,538	$ 467,639
Infrastructure land improvements	170,050	167,456	-	-	170,050	167,456
Construction in progress	33,254	66,201	60,325	64,745	93,579	130,946
Buildings and improvements	217,218	202,602	61,016	14,406	278,234	217,008
Machinery and equipment	26,047	29,127	3,130	3,412	29,177	32,539
Vehicles	10,601	10,768	1,243	1,268	11,844	12,036
Sewer Capacity Rights	-	-	13,792	14,741	13,792	14,741
Infrastructure	197,671	153,876	435,760	412,601	633,431	566,477
Total	**$1,103,839**	**$1,067,794**	**$ 605,806**	**$ 541,048**	**$1,709,645**	**$1,608,842**

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

- Chattahoochee Pointe Park, bordering the Chattahoochee River, extended its trail to a 5k distance and added a new restroom building in February. The facilities include a canoe launch, two pavilions, a river-themed nature-inspired playground, and walking trails.
- A 38-foot climbing tower was added to Sawnee Mountain Preserve. The tower offers 2,208 square feet of climbing area for rope climbing and rappelling. The new tower was made possible through a donation from the Sawnee Mountain Foundation.
- In March the new 109 acre Lanierland Park opened in northeast Forsyth County, which features four artificial turf rectangular sports fields, four picnic pavilions, a playground, along with a restroom and concession facilities plus parking.
- Two new fire stations opened in 2017. In March Station #6 opened on a new site in the southern portion of the county bringing the total coverage to 13 stations providing fire, rescue, and EMS protection for the public. Station #8, opened in April in the northern part of the county replacing the old, smaller facility built by volunteers in 1984.
- Sexton Hall Enrichment Center reopened in May 2017 after constructing a major expansion to the facility. Improvements include a new serving kitchen for meal programs, room for a memory support respite program, an updated entry with a large canopy and automatic entrance, an art addition featuring a kiln room for the ceramics program, office and storage space, and additional bathrooms.
- The State Road 400 widening project from four lanes to six lanes is scheduled to be completed and fully opened from McFarland Parkway to Highway 369 in the fall 2018. Other road widening projects reaching completion and opening in 2017 were Mullinax Road, Old Atlanta Road, phase 3, and Castleberry Road.
- On November 14 ground was broken for the expansion of the Sharon Forks Library in southeast Forsyth County. The expansion will add about 18,000 square feet, almost doubling the building's size. In addition, a number of intersection improvements and sidewalk projects were seen across the county.
- In August, the Thor Guard Lightning Detection System was installed at nine county parks. Designed to warn of potential lightning strikes in the area, the system is now in place at all of the county parks athletic facilities.

Additional information on the County's capital assets can be found in Note 6, on pages 50-52.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $396.0 million. Of this amount $201.7 million consists of general obligation bonds backed by the full faith and credit of the government and $194.4 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's total debt decreased by $14.8 million primarily due to the County's paying scheduled principal payments.

The County maintains an exceptionally positive credit rating in the current fiscal year with Moody's (Aaa) and Standard & Poor's (AAA) for the Water and Sewer Revenue Bonds and the General Obligation (GO) bonds.

Additional information on the County's long-term debt can be found in Note 8, pages 54-63.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget, the final budget and actual results for the County's general fund by category are shown below and on pages 76 and 77.

GENERAL FUND
for the year ended December 31, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General Government	$ 32,994,695	$ 32,105,952	$ 27,082,356	$ 5,023,596
Judicial	13,477,100	13,892,252	13,097,418	794,834
Public Safety	42,185,100	43,775,388	43,123,497	651,891
Public Works	-	47,432	47,432	-
Health and Welfare	1,662,100	1,801,877	1,648,167	153,710
Culture and Recreation	15,520,600	15,954,592	15,335,780	618,812
Housing and Development	7,001,600	7,363,847	5,630,197	1,733,650
Debt Service	43,000	42,982	42,982	-
Total Expenditures	**$ 112,884,195** [1]	**$ 114,984,322**	**$ 106,007,829**	**$ 8,976,493**

(1) The adopted General Fund expenditure budget included transfers to other funds ($5,035,300) which are not shown on this chart.

During the current fiscal year the County made several budget adjustments to the general fund that are reflected in the final budget. Projected revenues of $115.7 million in the original budget increased to $118.3 million at year end, due to an increase in sales tax and OPEB related revenues by $2.6 million. Total revenues ended at $121.5 million, $3.2 million above the final budget. The original adopted expenditure budget of $112.9 million was amended to $115.0 million.

However, by year end actual expenditures for the general fund were $106.0 million, $9.0 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government $5.0 million under final budget due to significant savings on facilities costs, lower elections costs than expected, and the remaining balance available in budgeted reserves.
- Public Safety $0.7 million under final budget due to final costs in the County Sheriff's office ending lower than the prior year.
- Judicial $0.8 million under final budget due to the total indigent defense, probate court, and court administration costs.

Forsyth County's general fund 2017 final budget is $115.0 million, an increase of 8.0% from the 2016 budget.

ECONOMIC FACTORS AND THE 2018 BUDGET

Forsyth County's 2018 budget is a reflection of the financial position of the County in 2017. During 2017, the County experienced an increase in revenues and amended the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 3.4%, down 0.6% from 2016. This compares favorably to the State of Georgia's unemployment rate at 4.5%, and the national unemployment rate of 4.1% at the end of 2017.
- LOST and SPLOST revenues increased by $3.0 million, a 4.5% increase from fiscal year 2016. An increase is also projected for the 2018 Budget. The County continues to monitor collections on a monthly basis.
- The County's total 2017 millage rate for Maintenance and Operations, Fire and Debt Service remained at 8.036 mills. The 2018 budget process focused on balancing the budget while not increasing the tax rates.
- Forsyth County continues to implement cost-saving measures as all departments and offices throughout the county monitor their budgets and processes for additional efficiencies.

All of these factors were taken into consideration and implemented when preparing the County's budget for fiscal year 2018.

REQUESTS FOR INFORMATION

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Library System	Public Facilities Authority
Cash and cash equivalents	$ 161,164,460	$ 77,798,334	$ 238,962,794	$ 1,388,577	$ 2,376,197	$ -
Investments	78,721,705	36,897,148	115,618,853	502,473	-	-
Receivables (net of allowance for uncollectibles)	2,461,423	4,304,332	6,765,755	2,980	63,864	-
Taxes receivable	6,604,000	-	6,604,000	-	-	-
Intergovernmental receivables	4,081,674	-	4,081,674	-	378,328	24,620,500
Prepaid items	691,541	113,330	804,871	-	113,704	-
Inventories	1,215,235	1,140,556	2,355,791	-	-	-
Internal balances	(720,842)	720,842	-	-	-	-
Other assets	1,890,785	-	1,890,785	-	30,791	-
Restricted assets:						-
Restricted cash and cash equivalents	55,095,604	15,527,612	70,623,216	-	-	-
Investments	5,897,223	-	5,897,223	-	-	-
Note receivable	-	211,615	211,615	-	-	-
Capital assets, nondepreciable	652,302,558	98,953,350	751,255,908	-	2,419,034	-
Capital assets, depreciable, net of accumulated depreciation	451,536,158	506,852,536	958,388,694	11,342	1,345,218	-
Total assets	1,420,941,524	742,519,655	2,163,461,179	1,905,372	6,727,136	24,620,500
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	9,943,597	6,514,909	16,458,506	-	-	-
Pension related items	930,049	-	930,049	328,736	1,467,944	-
Total deferred outflows of resources	10,873,646	6,514,909	17,388,555	328,736	1,467,944	-
LIABILITIES						
Accounts payable	14,790,686	11,303,482	26,094,168	6,224	581,900	-
Accrued liabilities	4,265,843	2,053,812	6,319,655	-	160,631	475,500
Customer deposits payable	-	4,070,314	4,070,314	-	-	-
Unearned revenue	-	32,230,969	32,230,969	-	-	-
Noncurrent liabilities due within one year						
Capital lease payable	2,664,475	-	2,664,475	-	-	-
Compensated absences payable	6,213,139	557,350	6,770,489	52,488	229,714	-
Note payable	-	281,188	281,188	-	-	-
Claims payable	3,517,936	-	3,517,936	-	-	-
Landfill closure and postclosure	-	115,528	115,528	-	-	-
Bonds payable	12,980,000	5,460,000	18,440,000	-	-	1,225,000
Noncurrent liabilities due in more than one year						
Capital lease payable	2,679,457	-	2,679,457	-	-	-
Compensated absences payable	1,553,285	139,338	1,692,623	-	18,261	-
Note payable	-	6,086,667	6,086,667	-	-	-
Claims payable	1,009,154	-	1,009,154	-	-	-
Net OPEB obligation	2,228,834	-	2,228,834	-	-	-
Net pension liability	2,362,996	-	2,362,996	1,236,248	5,205,643	-
Landfill closure and postclosure	-	1,501,869	1,501,869	-	-	-
Certificates of participation	7,777,000	-	7,777,000	-	-	-
Bonds payable	188,698,284	188,911,004	377,609,288	-	-	27,299,757
Total liabilities	250,741,089	252,711,521	503,452,610	1,294,960	6,196,149	29,000,257
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues - property taxes	86,744,339	-	86,744,339	-	-	-
Accumulated increase in fair value of hedging derivative	1,890,785	-	1,890,785	-	-	-
Pension related items	1,386,873	-	1,386,873	116,361	25,742	-
Total deferred inflows of resources	90,021,997	-	90,021,997	116,361	25,742	-
NET POSITION						
Net investment in capital assets	990,472,428	421,277,206	1,411,749,634	11,342	3,764,252	-
Restricted for:						
Crime victims' assistance	37,461	-	37,461	-	-	-
Fire protection services	6,558,886	-	6,558,886	-	-	-
Law enforcement activities	1,803,512	-	1,803,512	-	-	-
Law library operations	69,988	-	69,988	-	-	-
Emergency 911 services	2,312,870	-	2,312,870	-	-	-
Health and welfare	-	-	-	683,731	-	-
Debt service	16,712,737	4,117,486	20,830,223	-	-	-
Capital projects	34,795,391	-	34,795,391	-	535,172	-
Unrestricted	38,288,811	70,928,351	109,217,162	127,714	(2,326,235)	(4,379,757)
Total net position	$ 1,091,052,084	$ 496,323,043	$ 1,587,375,127	$ 822,787	$ 1,973,189	$ (4,379,757)

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 34,716,742	$ 11,947,446	$ 132,328	$ -
Judicial	15,271,504	5,127,891	830,581	-
Public safety	77,125,345	5,107,384	13,010	-
Public works	26,345,976	10,617,971	550	26,121,484
Health and welfare	3,011,135	69,213	465,595	-
Cuture and recreation	19,255,264	2,828,938	-	-
Housing and development	6,524,379	5,591,705	-	-
Interest on long-term debt	5,780,687	-	-	-
Total governmental activities	188,031,032	41,290,548	1,442,064	26,121,484
Business-type activities:				
Water and sewer	47,267,028	40,740,733	-	47,066,754
Solid waste	888,249	2,431,268	-	-
Total business-type activities	48,155,277	43,172,001	-	47,066,754
Total primary government	$ 236,186,309	$ 84,462,549	$ 1,442,064	$ 73,188,238
Component units:				
Health Department	$ 1,545,001	$ 875,555	$ 996,150	$ -
Library System	6,895,414	233,687	374,942	2,505,469
Public Facilities Authority	550,541	1,144,776	-	-
Total component units	$ 8,990,956	$ 2,254,018	$ 1,371,092	$ 2,505,469
General revenues:				
Property taxes				
Sales and use taxes				
Title ad valorem tax				
Insurance premium taxes				
Business taxes				
Alcoholic beverage taxes				
Unrestricted investment earnings				
Intergovernmental revenue, not restricted for specific programs				
Miscellaneous				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Health Department	Library System	Public Facilities Authority
$ (22,636,968)	$ -	$ (22,636,968)	$ -	$ -	$ -
(9,313,032)	-	(9,313,032)	-	-	-
(72,004,951)	-	(72,004,951)	-	-	-
10,394,029	-	10,394,029	-	-	-
(2,476,327)	-	(2,476,327)	-	-	-
(16,426,326)	-	(16,426,326)	-	-	-
(932,674)	-	(932,674)	-	-	-
(5,780,687)	-	(5,780,687)	-	-	-
(119,176,936)	-	(119,176,936)	-	-	-
-	40,540,459	40,540,459	-	-	-
-	1,543,019	1,543,019	-	-	-
-	42,083,478	42,083,478	-	-	-
$ (119,176,936)	$ 42,083,478	$ (77,093,458)	$ -	$ -	$ -
$ -	$ -	$ -	$ 326,704	$ -	$ -
-	-	-	-	(3,781,316)	-
-	-	-	-	-	594,235
$ -	$ -	$ -	$ 326,704	$ (3,781,316)	$ 594,235
$ 86,347,312	$ -	$ 86,347,312	$ -	$ -	$ -
69,718,199	-	69,718,199	-	-	-
8,696,242	-	8,696,242	-	-	-
10,172,529	-	10,172,529	-	-	-
2,914,097	-	2,914,097	-	-	-
2,109,901	-	2,109,901	-	-	-
1,827,845	1,078,603	2,906,448	-	970	-
-	32,822	32,822	-	5,563,602	-
969,718	-	969,718	65,031	-	-
-	24,083	24,083	-	-	-
750,000	(750,000)	-	-	-	-
183,505,843	385,508	183,891,351	65,031	5,564,572	-
64,328,907	42,468,986	106,797,893	391,735	1,783,256	594,235
1,026,723,177	453,854,057	1,480,577,234	431,052	189,933	(4,973,992)
$ 1,091,052,084	$ 496,323,043	$ 1,587,375,127	$ 822,787	$ 1,973,189	$ (4,379,757)

FORSYTH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

ASSETS	General	Fire District	SPLOST	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 23,953,596	$ 25,298,476	$ 17,228,732	$ 87,992,348	$ 154,473,152
Investments	75,325,491	1,365,170	-	-	76,690,661
Accounts receivable	987,425	3,184	-	959,040	1,949,649
Taxes receivable	1,680,500	635,205	3,777,608	510,687	6,604,000
Intergovernmental receivables	3,166,486	-	-	915,188	4,081,674
Due from other funds	708,380	18,575	1,876,732	91,755	2,695,442
Inventories	610,198	358,022	-	-	968,220
Prepaid items	230,657	18,841	-	79,962	329,460
Restricted assets:					
Cash	-	-	-	55,095,604	55,095,604
Investments	-	-	-	5,897,223	5,897,223
Advances to other funds	-	-	-	480,191	480,191
Total assets	$ 106,662,733	$ 27,697,473	$ 22,883,072	$ 152,021,998	$ 309,265,276
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,814,540	$ 111,879	$ 4,383,184	$ 8,093,554	$ 14,403,157
Other accrued liabilities	1,832,253	2,800	-	-	1,835,053
Due to other funds	-	-	717,448	1,977,994	2,695,442
Advances from other funds	-	144,739	-	335,452	480,191
Total liabilities	3,646,793	259,418	5,100,632	10,407,000	19,413,843
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	535,022	154,484	-	96,860	786,366
Unavailable revenue - intergovernmenta	-	-	-	272,546	272,546
Deferred revenue - property taxes	49,078,969	20,879,169	-	16,786,201	86,744,339
Total deferred inflows of resources	49,613,991	21,033,653	-	17,155,607	87,803,251
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaids	230,657	18,841	-	79,962	329,460
Inventories	610,198	358,022	-	-	968,220
Advances	-	-	-	480,191	480,191
Restricted:					
Crime victims' assistance	-	-	-	37,461	37,461
Fire protection services	-	6,027,539	-	-	6,027,539
Law enforcement activities	-	-	-	1,803,512	1,803,512
Law library operations	-	-	-	69,988	69,988
Emergency 911 services	-	-	-	2,253,025	2,253,025
Capital projects	-	-	17,782,440	74,031,876	91,814,316
Debt service	-	-	-	16,615,877	16,615,877
Committed:					
Tree replacement	119,097	-	-	-	119,097
Assigned:					
Use of reserves in subsequent budge	387,661	-	-	-	387,661
Professional services	218,755	-	-	-	218,755
Capital projects	68,925	-	-	29,473,539	29,542,464
Supplies and materials	137,755	-	-	-	137,755
Unassigned	51,628,901	-	-	(386,040)	51,242,861
Total fund balances	53,401,949	6,404,402	17,782,440	124,459,391	202,048,182
Total liabilities, deferred inflows of resources and fund balances	$ 106,662,733	$ 27,697,473	$ 22,883,072	$ 152,021,998	

Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	1,103,472,315
Internal service funds are used by the County to charge cost to other funds. The asset and liabilities are included in the governmental activities	4,471,826
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds	1,058,912
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(217,179,331)
The net pension liability, deferred inflows of resources, and deferred outflows of resources related to the County's defined benefit pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(2,819,820)
Net position of governmental activities	$ 1,091,052,084

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Fire District	SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 94,507,921	$ 21,169,347	$ 37,351,225	$ 26,856,257	$ 179,884,750
Licenses and permits	6,829,011	-	-	37,649	6,866,660
Intergovernmental	394,577	7,943	-	4,881,313	5,283,833
Fines and forfeitures	2,454,536	-	-	1,209,768	3,664,304
Charges for services	16,077,656	-	-	14,681,928	30,759,584
Interest income	480,090	34,710	67,131	1,313,045	1,894,976
Contributions	23,390	-	-	49,625	73,015
Miscellaneous	738,272	31,625	-	199,821	969,718
Total revenues	121,505,453	21,243,625	37,418,356	49,229,406	229,396,840
Expenditures:					
Current:					
General government	27,082,356	-	-	326,822	27,409,178
Judicial	13,097,418	-	-	994,698	14,092,116
Public safety	43,123,497	20,203,002	-	4,901,979	68,228,478
Public works	47,432	-	240,944	14,116,022	14,404,398
Health and welfare	1,648,167	-	-	1,357,090	3,005,257
Culture and recreation	15,335,780	-	301,343	-	15,637,123
Housing and development	5,630,197	-	-	717,750	6,347,947
Intergovernmental expenditures	-	-	4,689,989	122,647	4,812,636
Capital outlay	-	-	13,514,415	27,811,866	41,326,281
Debt service:					
Principal	39,900	-	-	9,622,854	9,662,754
Interest	3,082	-	-	8,919,524	8,922,606
Bond issuance costs	-	-	-	439,438	439,438
Total expenditures	106,007,829	20,203,002	18,746,691	69,330,690	214,288,212
Excess (deficiency) of revenues over expenditures	15,497,624	1,040,623	18,671,665	(20,101,284)	15,108,628
Other financing sources (uses):					
Proceeds from sale of capital assets	204,055	3,000	-	30,473	237,528
Issuance of general obligation refunding bonds	-	-	-	76,830,000	76,830,000
Original issue premium	-	-	-	7,316,538	7,316,538
Refunding deposit with escrow agent	-	-	-	(83,698,244)	(83,698,244)
Transfers in	750,000	217,109	441,777	17,830,483	19,239,369
Transfers out	(17,236,391)	(125,022)	-	(1,637,572)	(18,998,985)
Total other financing sources (uses)	(16,282,336)	95,087	441,777	16,671,678	926,206
Net change in fund balances	(784,712)	1,135,710	19,113,442	(3,429,606)	16,034,834
Fund balances, beginning of year	54,186,661	5,268,692	(1,331,002)	127,888,997	186,013,348
Fund balances, end of year	$ 53,401,949	$ 6,404,402	$ 17,782,440	$ 124,459,391	$ 202,048,182

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

FORSYTH COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	16,034,834
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		15,239,501
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		20,754,180
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		222,663
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		9,214,460
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		2,871,219
Internal service funds are used by management to charge the costs of insurance plans, workers' compensation insurance, administrative costs, and fleet maintenance costs to individual funds. The net expense of the internal service funds is reported with governmental activities.		(7,950)
Change in net position - governmental activities	$	64,328,907

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

ASSETS	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
Current assets:				
Cash and cash equivalents	$ 71,360,603	$ 6,437,731	$ 77,798,334	$ 6,691,308
Investments	36,897,148	-	36,897,148	2,031,044
Receivables (net of allowance for uncollectibles)	3,694,359	609,973	4,304,332	511,774
Inventories	1,140,556	-	1,140,556	247,015
Prepaid items	113,330	-	113,330	362,081
Restricted cash and cash equivalents	15,527,612	-	15,527,612	-
Total current assets	128,733,608	7,047,704	135,781,312	9,843,222
Noncurrent assets:				
Note receivable	211,615	-	211,615	-
Capital assets:				
Capital assets, not being depreciated	98,363,620	589,730	98,953,350	-
Capital assets, being depreciated	656,356,396	1,406,478	657,762,874	1,147,558
Less accumulated depreciation	(150,240,096)	(670,242)	(150,910,338)	(781,157)
Total capital assets, net of accumulated depreciation	604,479,920	1,325,966	605,805,886	366,401
Total assets	733,425,143	8,373,670	741,798,813	10,209,623
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	6,514,909	-	6,514,909	-
Total deferred outflows of resources	6,514,909	-	6,514,909	-
LIABILITIES				
Current liabilities:				
Accounts payable	11,269,720	33,762	11,303,482	387,529
Accrued expenses	2,053,812	-	2,053,812	-
Customer deposits payable	4,070,314	-	4,070,314	-
Unearned revenue	32,230,969	-	32,230,969	-
Claims payable, current	-	-	-	3,517,936
Compensated absences, current	509,927	47,423	557,350	81,869
Note payable, current	281,188	-	281,188	-
Landfill postclosure, current	-	115,528	115,528	-
Revenue bonds payable, current	5,460,000	-	5,460,000	-
Total current liabilities	55,875,930	196,713	56,072,643	3,987,334
Long-term liabilities:				
Claims payable	-	-	-	1,009,154
Compensated absences	127,482	11,856	139,338	20,467
Note payable	6,086,667	-	6,086,667	-
Landfill postclosure	-	1,501,869	1,501,869	-
Revenue bonds payable	188,911,004	-	188,911,004	-
Total long-term liabilities	195,125,153	1,513,725	196,638,878	1,029,621
Total liabilities	251,001,083	1,710,438	252,711,521	5,016,955
NET POSITION				
Net investment in capital assets	419,951,240	1,325,966	421,277,206	366,401
Restricted for debt service	4,117,486	-	4,117,486	-
Unrestricted	64,870,243	5,337,266	70,207,509	4,826,267
Total net position	$ 488,938,969	$ 6,663,232	495,602,201	$ 5,192,668
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			720,842	
Net position of business-type activities			$ 496,323,043	

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for services:				
Water sales	$ 24,933,275	$ -	$ 24,933,275	$ -
Sewer sales	15,309,224	-	15,309,224	-
Other	374,110	-	374,110	27,399,573
Recycling and transfer fees	-	2,431,268	2,431,268	-
Insurance recoveries	-	-	-	245,056
Other operating income	124,124	-	124,124	1,196
Total operating revenues	40,740,733	2,431,268	43,172,001	27,645,825
OPERATING EXPENSES				
Salaries and benefits	7,706,994	554,264	8,261,258	1,343,822
Supplies and maintenance	12,906,685	293,236	13,199,921	220,535
Claims	-	-	-	23,340,368
Insurance premiums	-	-	-	2,254,790
General and administrative	-	-	-	1,015,801
Depreciation and amortization expense	14,025,321	37,876	14,063,197	85,864
Water purchases	3,624,571	-	3,624,571	-
Sewer flow costs	4,916,196	-	4,916,196	-
Total operating expenses	43,179,767	885,376	44,065,143	28,261,180
Operating income (loss)	(2,439,034)	1,545,892	(893,142)	(615,355)
NONOPERATING REVENUE (EXPENSES)				
Investment earnings	989,286	89,317	1,078,603	55,660
Intergovernmental revenue	32,822	-	32,822	-
Gain on sale of capital assets	24,083	-	24,083	-
Interest expense	(4,048,005)	-	(4,048,005)	-
Total nonoperating revenues (expenses)	(3,001,814)	89,317	(2,912,497)	55,660
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(5,440,848)	1,635,209	(3,805,639)	(559,695)
Capital contributions	47,066,754	-	47,066,754	-
Transfers in	-	-	-	570,891
Transfers out	-	(750,000)	(750,000)	(61,275)
Total capital contributions and transfers	47,066,754	(750,000)	46,316,754	509,616
Change in net position	41,625,906	885,209	42,511,115	(50,079)
NET POSITION, beginning of year	447,313,063	5,778,023		5,242,747
NET POSITION, end of year	$ 488,938,969	$ 6,663,232		$ 5,192,668
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			(42,129)	
Change in net position of business-type activities			$ 42,468,986	

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 43,964,790	$ 2,350,085	$ 46,314,875	$ 27,573,471
Payments to suppliers and service providers	(19,279,586)	(386,889)	(19,666,475)	(27,983,915)
Payments to employees	(7,636,657)	(544,577)	(8,181,234)	(1,249,845)
Net cash provided by (used in) operating activities	17,048,547	1,418,619	18,467,166	(1,660,289)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchases) maturities of investments	(4,867,192)	-	(4,867,192)	321,391
Interest received	994,399	89,317	1,083,716	50,618
Net cash provided by (used in) investing activities	(3,872,793)	89,317	(3,783,476)	372,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(42,200,703)	(27,390)	(42,228,093)	(137,160)
Proceeds from sale of capital assets	24,083	-	24,083	-
Proceeds from long-term borrowings	206,436	-	206,436	-
Principal payments on notes	(272,887)	-	(272,887)	-
Principal payments on bonds	(5,240,000)	-	(5,240,000)	-
Interest and fiscal charges paid	(7,306,452)	-	(7,306,452)	-
Intergovernmental grants received	32,822	-	32,822	-
Capital contributions received	14,810,270	-	14,810,270	-
Net cash used in capital and related financing activities	(39,946,431)	(27,390)	(39,973,821)	(137,160)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	570,891
Transfers out	-	(750,000)	(750,000)	(61,275)
Net cash provided by (used in) noncapital financing activities	-	(750,000)	(750,000)	509,616
Net increase (decrease) in cash and cash equivalents	(26,770,677)	730,546	(26,040,131)	(915,824)
Cash and cash equivalents:				
Beginning of year	113,658,892	5,707,185	119,366,077	7,607,132
End of year	$ 86,888,215	$ 6,437,731	$ 93,325,946	$ 6,691,308
Classified as:				
Cash and cash equivalents	$ 71,360,603	$ 6,437,731	$ 77,798,334	$ 6,691,308
Restricted cash and cash equivalents	15,527,612	-	15,527,612	-
Total	$ 86,888,215	$ 6,437,731	$ 93,325,946	$ 6,691,308
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (2,439,034)	$ 1,545,892	$ (893,142)	$ (615,355)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	14,025,321	37,876	14,063,197	85,864
(Increase) decrease in accounts and notes receivable	842,946	(81,183)	761,763	(484,634)
(Increase) decrease in inventories	1,769	-	1,769	(6,709)
Increase in prepaid expenses	(104,162)	-	(104,162)	(20,713)
Increase in accounts payable	2,283,727	6,339	2,290,066	158,765
Decrease in accrued expenses	(146,720)	-	(146,720)	-
Increase in customer deposits payable	133,252	-	133,252	-
Increase in unearned revenue	2,381,111	-	2,381,111	-
Increase in compensated absences	70,337	9,687	80,024	21,805
Decrease in claims payable	-	-	-	(799,312)
Decrease in landfill postclosure care costs	-	(99,992)	(99,992)	-
Net cash provided by (used in) operating activities	$ 17,048,547	$ 1,418,619	$ 18,467,166	$ (1,660,289)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ 32,256,484	$ -	$ 32,256,484	$ -

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Agency Funds	Pension Trust Fund
ASSETS		
Cash and cash equivalents	$ 8,954,330	$ 650,088
Mutual funds	-	16,216,596
Taxes receivable	9,399,135	-
Other receivable	1,435	590
Total assets	18,354,900	16,867,274
LIABILITIES		
Due to others	8,955,765	-
Uncollected taxes	9,399,135	-
Total liabilities	18,354,900	-
NET POSITION		
Net position restricted for pension benefits	$ -	$ 16,867,274

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Pension Trust Fund
ADDITIONS	
Employer contributions	$ 1,000,000
Investment income	2,117,476
Less investment expense	(55,313)
Net investment income	2,062,163
Total additions	3,062,163
DEDUCTIONS	
Benefit payments	1,060,702
Total deductions	1,060,702
Change in net position	2,001,461
NET POSITION RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	14,865,813
End of year	$ 16,867,274

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Forsyth County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Forsyth County operates under a commissioner-manager form of government under which a five-member Board of Commissioners is elected to serve as the legislative body for the County. The commissioners are by geographical districts in which they reside by voters county-wide, then the Board members elect a chairman. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Blended component units, although legally separate entities are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Units

The Forsyth County Water and Sewerage Authority (Authority) is authorized to acquire, construct, add to, extend, improve, equip, operate, and maintain water and sewerage systems and any other related facilities for the County. The Authority is made up of the five members of the Board of Commissioners of Forsyth County, Georgia, and the director of the Water and Sewer Department of the County. Thus, the Authority's governing body is substantially the same as the governing Board of Forsyth County. The Authority creates a financial burden for the County, as the debt issued by the Authority is secured through intergovernmental rental agreements with the County, and will be repaid with County resources. The Authority is reported as an enterprise fund. No separate financial statements are issued for this component unit.

Discretely Presented Component Units

The Forsyth County Department of Public Health (the "Health Department") is governed by a seven-member board consisting of the Chairman of the County Board of Commissioners and three members as appointed by the County Board of Commissioners. As such, the County appoints a voting majority of the Health Department's Board. Additionally, the County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Health Department has a June 30th year-end and is presented as a governmental type component unit. The Health Department's financial statements can be obtained by writing to the Forsyth County Health Department, P.O. Box 1295, Gainesville, Georgia 30503.

The Forsyth County Public Library (the "Library") serves all citizens of Forsyth County. The Library is governed by a 10-member board of Trustees appointed by the County Board of Commissioners. The County provides the majority of funding for the Library. The Library is presented as a governmental fund type. The Library's fiscal year end is June 30.

The Library's financial statements can be obtained by writing to the Forsyth County Public Library, 585 Dahlonega Road, Cumming, Georgia 30040.

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

The PFA is presented as a governmental fund type and separate financial statements for the PFA are not prepared. The PFA reports no current assets or current liabilities and therefore a balance sheet on the modified accrual basis of accounting is not reported. Financial information for the PFA can be obtained by contacting the County's management at 110 East Main Street, Suite 210, Cumming, Georgia 30040.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Water and Sewerage Authority offers sewer reservation agreements, which require outside developers to buy future capacity on the County's system. These funds are reported as unearned revenue until the developer comes to apply for sewer taps or access to the sewer system, at which point the advance payments are then applied to the requested taps and thus recognized as earned revenues.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Fire District Fund*** accounts for the restricted revenues generated from a restricted millage rate levied for the purpose of providing for the operations of the County Fire Department.

The ***Special Purpose Local Option Sales Tax (SPLOST) Fund*** is used to account for the revenues and expenditures relating to the County's 1% Special Purpose Local Option Sales Tax issues.

The County reports the following major proprietary fund:

The ***Water and Sewerage Authority*** accounts for the activities of the County's water and sewerage system.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are restricted or committed to expenditure for specific purposes.

The ***capital projects funds*** are used to account for the expenditures of proceeds from the Transportation Bonds, Impact Fees, and other local sources on projects throughout the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The ***agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

The ***internal service funds*** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The County uses internal service funds to account for risk management, workers' compensation, health insurance benefits, and fleet maintenance. See the internal service fund divider page for a detailed description of the County's internal service funds.

The ***pension trust fund*** is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the government's employee pension plan.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-3, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair value as of year-end and the County's investment in the Georgia Fund 1 is reported at fair value. The County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

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

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. During the current year, the County capitalized $2,216,340 of interest cost to capital assets.

Capital assets of the primary government are depreciated or amortized using the straight line method over the following useful lives:

Asset Category	Years
Buildings and improvements	20 - 50
Machinery and equipment	5 - 20
Vehicles	3 - 10
Intangible assets	7 - 11
Infrastructure	20 - 50

The County purchases future sewer capacity rights from other local governments and entities which are recorded as intangible assets. The County uses the rights to enable its sewer system to handle and process the demands of its customers. It should be noted that a significant majority of the County's sewer rights were purchased with indefinite lives and, therefore, are not subject to amortization of the cost. Those rights will be carried on the financial statements at original cost, similar to a non-depreciable asset.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item that qualifies for reporting in this category is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple types of deferred inflows. Two items arise under a modified accrual basis of accounting that qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The County also reports deferred property tax revenues which are levied in August for the next fiscal year and thus will be recognized as revenue in the period for which they were levied. These deferred revenues are reported in both the governmental funds balance sheet and statement of net position. The last item relates to the offset of the fair market value of the County's derivative. The derivative qualifies as an effective hedge and as the change in fair market value occurs each year, the asset and deferred inflow are adjusted.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and any related premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Fund balances are classified as follows:

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

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action of the County Board of Commissioners by passage of a resolution and the commitment can only be removed by a resolution of the Board.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Board of Commissioners has delegated, through resolution, the Finance Director the authority to assign amounts to be used for specific purposes.

Unassigned – Fund balances are reported as unassigned as the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The general fund is the only fund that can report a positive unassigned fund balance; any fund of the County reporting a deficit fund balance at year-end will report that balance as unassigned.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

For the year ending December 31, 2017, the County has reported $425,435 of encumbrances as assignments of fund balance in the General Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

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

L. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

M. Pensions

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

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

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $217,179,331 difference are as follows:

Bonds payable	$	(180,070,000)
Unamortized premiums		(21,608,284)
Deferred charges on refundings		9,943,597
Certificates of participation		(7,777,000)
Capital lease payable		(5,343,932)
Accrued interest		(2,430,790)
Net OPEB obligation		(2,228,834)
Compensated absences		(7,664,088)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(217,179,331)

Another element of that reconciliation explains that "the net pension liability, deferred inflows of resources, and deferred outflows of resources related to the County's defined benefit pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds." The details of this $2,819,820 difference are as follows:

Net pension liability	$	(2,362,996)
Deferred inflows of resources - pension items		(1,386,873)
Deferred outflows of resources - pension items		930,049
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(2,819,820)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $15,239,501 difference are as follows:

Capital outlay	$ 44,752,382
Depreciation expense	(29,512,881)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 15,239,501

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The details of this $20,754,180 difference are as follows:

Disposal of capital assets	$ (1,236,255)
Donations of capital assets	21,990,435
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 20,754,180

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

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

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position." The details of this $9,214,460 difference are as follows:

Issuance of general obligation refunding bonds	$	(76,830,000)
Original issue premium		(7,316,538)
Refunding deposit with escrow agent		83,698,244
Principal payments on bonds payable		7,055,000
Principal payments on capital leases payable		2,607,754
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	9,214,460

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $2,871,219 difference are as follows:

Compensated absences	$	(596,437)
Net OPEB obligation		(928,520)
Change in pension expense		814,819
Amortization		2,152,531
Accrued interest		1,428,826
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	2,871,219

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

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

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

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

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

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

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

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

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Budgets and Budgetary Accounting (Continued)

For the year ended December 31, 2017, total expenditures for the Coroner and medical examiner department of the General Fund exceeded appropriations by $54,388. These over expenditures were funded by greater than anticipated revenues and available fund balance, as needed.

Deficit Fund Balance

For the year ended December 31, 2017, the County's Grant Fund reports a deficit fund balance of $375,923. This deficit will be alleviated by the collection of receivable amounts currently reported as unavailable revenues and future General Fund appropriations, as needed.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in U.S. Government obligations; U.S. Government agency obligations; obligations of the State of Georgia; obligations of other counties; municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by the U.S. Government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Operating funds of the County are currently invested in the Georgia Fund 1; U.S. Treasury notes; U.S. Government sponsored entities (Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation); certificates of deposit; or maintained in demand deposit, savings, and public funds money market accounts with financial institutions.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At December 31, 2017, information on the credit risk and interest rate risk related to the County's investments is disclosed as follows:

Investment	Weighted Average Maturity	Credit Rating	Balance
Georgia Fund 1	9 days	AAAf	$ 145,319,233
Morgan Stanley Institutional Liquidity	26 days	AAAm	5,514,735
Fidelity Institutional Treasury MM	33 days	(a)	59,765,934
Wells Fargo Plus MM Institutional	35 days	(a)	3,666,021
United States Treasuries	1.10 years	AAA	56,831,759
Certificates of deposit	1.86 years	(a)	3,171,683
Government Sponsored Entities	2.18 years	AAA	55,615,410
Guaranteed Investment Contract	10.42 years	(b)	5,897,224
			$ 335,781,999

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

The County reports its holdings in the Fidelity Institutional, Wells Fargo Plus Institutional, Morgan Stanley Institutional Liquidity money market funds, and the Georgia Fund 1, as cash equivalents for financial reporting purposes.

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The County has the following recurring fair value measurements as of December 31, 2017:

Investment	Level 1	Level 2	Fair Value
Money Market Mutual Funds	$ 68,946,690	$ -	$ 68,946,690
United States Treasuries	56,831,759	-	56,831,759
Government Sponsored Entities	4,144,883	51,470,527	55,615,410
Total investments measured at fair value	$ 129,923,332	$ 51,470,527	181,393,859
Investments not subject to level disclosure:			
Georgia Fund 1			145,319,233
Investments carried at cost:			
Guaranteed Investment Contract			5,897,224
Certificates of Deposit			3,171,683
Total Investments			$ 335,781,999
Fair market hedging derivative:			
Interest rate swap agreement	$ -	$ 1,890,785	$ 1,890,785

The Money Market Mutual Funds, United States Treasuries, and the Government Sponsored Entities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in Government Sponsored Entities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of December 31, 2017, the County's deposit balances were collateralized as defined by State statutes and GASB.

Pension Plan

The Plan's policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Board of Commissioners by a majority vote of its members. The Plan is authorized to invest in obligations of the United States Treasury or its agencies and instrumentalities, collateralized mortgage obligations, asset and mortgage backed securities, taxable bonds that are obligations of any state and its agencies, instrumentalities, and political subdivisions, and in certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations. Additionally, the Plan is authorized to invest in common stocks, money market instruments, and corporate bonds and debentures, which are not in default as to principal and interest.

The Plan investment policy adopts the following asset allocation mix to achieve the lowest level of risk for the Plan: Equity Securities between 55% and 65% at market value, Fixed Income investments between 32% and 42%, and cash equivalents up to 5% of total asset mix.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Plan (Continued)

At December 31, 2017, the Plan had $16,216,596 invested in the following types of investments:

Investment	Maturity: Less than 1 year	Credit Rating	Fair Value
Collective Funds - Pension	$ 14,686,104	(a)	$ 14,686,104
Mutual Funds - Pension	1,530,492	(b)	1,530,492
	$ 16,216,596		$ 16,216,596

(a) These are collective funds at a financial institution and are not rated.
(b) The mutual funds are rated 3 - 5 stars by Morningstar

Credit Risk. It is the Plan's policy to limit investments to either mutual fund equities or fixed income bonds. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. Government Treasuries and Agency bonds are not classified by credit quality. Mutual funds invested in equities are also not classified by credit quality.

Concentration. On December 31, 2017, the Plan did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of plan fiduciary net position.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County's pension plan has the following recurring fair value measurements as of December 31, 2017:

Investment	Level 2	Level 3	Fair Value
Mutual Funds	$ 1,530,492	$ -	$ 1,530,492
Collective Funds	13,824,455	861,649	14,686,104
Total investments measured at fair value	$ 15,354,947	$ 861,649	$ 16,216,596

The mutual funds and collective funds classified as Level 2 of the fair value hierarchy are valued using matrix pricing techniques. The collective funds classified as Level 3 of the fair value hierarchy are valued using a fundamental analysis of the underlying investment holdings.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Rate of return. For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.00 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits.

NOTE 5. RECEIVABLES

Receivables at December 31, 2017, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Fire District Fund	SPLOST Fund
Receivables:			
Taxes	$ 1,680,500	$ 635,205	$ 3,777,608
Other governments	3,166,486	-	-
Accounts	987,425	3,184	-
Gross receivables	5,834,411	638,389	3,777,608
Less allowance for uncollectibles	-	-	-
Net receivables	$ 5,834,411	$ 638,389	$ 3,777,608

	Nonmajor Governmental Funds	Water & Sewerage Authority	Nonmajor Proprietary Fund
Receivables:			
Taxes	$ 510,687	$ -	$ -
Other governments	915,188	-	-
Accounts	959,035	3,961,092	609,973
Gross receivables	2,384,910	3,961,092	609,973
Less allowance for uncollectibles	-	(266,733)	-
Net receivables	$ 2,384,910	$ 3,694,359	$ 609,973

NOTE 5. RECEIVABLES (CONTINUED)

Property taxes for the 2017 fiscal year were levied on August 12, 2016, with property values assessed as of January 1, 2016. Bills are payable on or before November 15, 2016 after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of December 16, 2016. Property taxes levied during 2017 are for fiscal year 2018. Amounts recorded as a receivable and amounts collected as of December 31, 2017 related to these taxes are recorded as deferred inflows of resources – deferred revenue in both the fund-level and government-wide financial statements.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 437,764,193	$ 10,455,492	$ -	$ 778,372	$ 448,998,057
Infrastructure land improvements	167,456,308	947,179	-	1,647,000	170,050,487
Construction in progress	66,201,302	35,896,666	(155,768)	(68,688,186)	33,254,014
Total capital assets, not being depreciated	671,421,803	47,299,337	(155,768)	(66,262,814)	652,302,558
Capital assets, being depreciated:					
Buildings and improvements	240,843,391	831,629	(1,069,350)	21,970,835	262,576,505
Machinery and equipment	65,055,088	1,528,310	(412,200)	1,324,736	67,495,934
Vehicles	33,551,915	1,845,857	(3,925,681)	1,425,260	32,897,351
Infrastructure	337,272,496	15,374,845	-	41,541,983	394,189,324
Total capital assets, being depreciated	676,722,890	19,580,641	(5,407,231)	66,262,814	757,159,114
Less accumulated depreciation for:					
Buildings and improvements	38,241,368	7,529,061	(410,794)	-	45,359,635
Machinery and equipment	35,928,226	5,918,701	(398,223)	-	41,448,704
Vehicles	22,784,439	3,029,299	(3,517,727)	-	22,296,011
Infrastructure	183,396,920	13,121,686	-	-	196,518,606
Total accumulated depreciation	280,350,953	29,598,747	(4,326,744)	-	305,622,956
Total capital assets, being depreciated, net	396,371,937	(10,018,106)	(1,080,487)	66,262,814	451,536,158
Governmental activities capital assets, net	$ 1,067,793,740	$ 37,281,231	$ (1,236,255)	$ -	$ 1,103,838,716

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 29,691,367	$ 642,483	$ -	$ -	$ 30,333,850
Sewer capacity rights	7,777,693	516,656	-	-	8,294,349
Construction in progress	64,745,318	44,595,030	-	(49,015,197)	60,325,151
Total capital assets, not being depreciated	102,214,378	45,754,169	-	(49,015,197)	98,953,350
Capital assets, being depreciated:					
Land improvements	365,253	27,390	-	-	392,643
Buildings and improvements	17,858,372	54,514	-	47,638,190	65,551,076
Machinery and equipment	7,506,967	61,485	(59,596)	-	7,508,856
Vehicles	3,192,611	235,418	(95,644)	-	3,332,385
Sewer capacity rights	14,609,550	-	-	-	14,609,550
Infrastructure	532,303,194	32,688,163	-	1,377,007	566,368,364
Total capital assets, being depreciated	575,835,947	33,066,970	(155,240)	49,015,197	657,762,874
Less accumulated depreciation for:					
Land improvements	181,588	4,946	-	-	186,534
Buildings and improvements	3,452,597	1,082,965	-	-	4,535,562
Machinery and equipment	4,094,512	343,649	(59,596)	-	4,378,565
Vehicles	1,924,322	260,494	(95,644)	-	2,089,172
Sewer capacity rights	7,646,871	1,465,170	-	-	9,112,041
Infrastructure	119,702,491	10,905,973	-		130,608,464
Total accumulated depreciation	137,002,381	14,063,197	(155,240)	-	150,910,338
Total capital assets, being depreciated, net	438,833,566	19,003,773	-	49,015,197	506,852,536
Business-type activities capital assets, net	$ 541,047,944	$ 64,757,942	$ -	$ -	$ 605,805,886

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental activities:	
General government	$ 2,803,724
Judicial	1,041,220
Public safety	8,243,401
Public works	13,115,155
Health and welfare	47,973
Culture and recreation	4,176,511
Housing and development	170,763
Total depreciation expense - governmental activities	$ 29,598,747
Business-type activities:	
Water and Sewerage Authority	$ 14,025,321
Solid Waste Disposal Facility	37,876
Total depreciation expense - business-type activities	$ 14,063,197

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017, was as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 101,262
SPLOST Fund	Nonmajor governmental funds	1,876,732
General Fund	SPLOST Fund	607,118
Fire Fund	SPLOST Fund	18,575
Nonmajor governmental funds	SPLOST Fund	91,755
		$ 2,695,442

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) transactions are recorded in the accounting system. Additionally, the amount owed to the SPLOST Fund relates to a voter approved SPLOST project for which grant funding was also available and the interfund balance arose as the County had not moved the cash by year-end. The General Fund, Fire Fund, and Grant Fund receivables from SPLOST are to reimburse the funds for advance funding of SPLOST projects in the current year and the interfund balance arose as the County had not moved the cash by year-end.

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

Advances to/from other funds:

Advance to	Advance from	Amount
Nonmajor governmental funds	Fire Fund	$ 144,739
Nonmajor governmental funds	Nonmajor governmental funds	335,452
		$ 480,191

The amounts payable from the nonmajor governmental funds relate to equipment purchases made by the Fire Fund and the Capital Projects Fund and transferred to those funds. The balance is expected to be repaid in annual installments over the life of the asset.

Interfund transfers for the year ended December 31, 2017 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor enterprise funds	$ 750,000
Internal service funds	General Fund	$ 570,891
Fire Fund	Nonmajor governmental funds	$ 217,109
SPLOST Fund	Nonmajor governmental funds	$ 441,777
Nonmajor governmental funds	General Fund	$ 16,665,500
Nonmajor governmental funds	Fire Fund	125,022
Nonmajor governmental funds	Internal service funds	61,275
Nonmajor governmental funds	Nonmajor governmental funds	978,686
		$ 17,830,483

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) to move funds for the purchase of capital assets into the funds where all of the project costs are being tracked, and (3) to cover expenditures allowable under SPLOST resolutions.

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 181,105,000	$ 76,830,000	$ (77,865,000)	$ 180,070,000	$ 12,980,000
Plus: Premiums	28,567,364	7,316,538	(14,275,618)	21,608,284	-
Total bonds payable	209,672,364	84,146,538	(92,140,618)	201,678,284	12,980,000
Capital leases payable	7,951,686	-	(2,607,754)	5,343,932	2,664,475
Certificates of participation	7,777,000	-	-	7,777,000	-
Net OPEB obligation	1,300,314	1,009,000	(80,480)	2,228,834	-
Net pension liability	4,953,708	1,496,220	(4,086,932)	2,362,996	-
Compensated absences	7,148,182	7,477,516	(6,859,274)	7,766,424	6,213,139
Claims payable	5,326,402	23,561,643	(24,360,955)	4,527,090	3,517,936
Governmental activities long-term liabilities	$ 244,129,656	$ 117,690,917	$ (130,136,013)	$ 231,684,560	$ 25,375,550
Business-type Activities:					
Bonds payable	$ 182,735,000	$ -	$ (5,240,000)	$ 177,495,000	$ 5,460,000
Plus: Premiums	18,425,414	-	(1,549,410)	16,876,004	-
Total bonds payable	201,160,414	-	(6,789,410)	194,371,004	5,460,000
Note payable	6,434,306	206,436	(272,887)	6,367,855	281,188
Landfill postclosure costs	1,717,389	-	(99,992)	1,617,397	115,528
Compensated absences	616,664	737,292	(657,268)	696,688	557,350
Business-type activities long-term liabilities	$ 209,928,773	$ 943,728	$ (7,819,557)	$ 203,052,944	$ 6,414,066

For governmental activities, compensated absences and claims and judgments are being liquidated primarily by the General Fund. The OPEB obligations and net pension liability are primarily liquidated by the General Fund and the Fire District Fund. For business-type activities, compensated absences are liquidated by the Water and Sewerage Authority and the Solid Waste Disposal Fund.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. During 2008, the County issued $83,000,000 of Series 2008A general obligation bonds. The 2008A Bonds were issued for the purpose of providing funds to finance the costs of acquiring, constructing, renovating, and equipping parks and recreational areas, programs, and facilities in the County. They bear interest rates from 2.5%-5.0% and are payable on March 1 and September 1 of each year. During 2015, the County issued $60,315,000 of Series 2015B general obligation bonds for the purpose of refunding $64,065,000 of the Series 2008A bonds maturing March 1, 2020 through March 1, 2028. The Series 2015B Bonds bear interest at rates from 3.0% to 5.0% and are payable on March 1 and September 1 of each year, maturing on March 1, 2028.

As part of the refunding mentioned above, the County defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of December 31, 2017, the outstanding amount of Series 2008A general obligation bonds considered legally defeased is $64,065,000.

During 2012, the County issued $20,960,000 of Series 2012 general obligation bonds. The 2012 bonds were issued to refund $19,155,000 of the $23,715,000 in aggregate principal amount of the Series 2004 Bonds maturing March 1, 2004 through 2020. The bonds, which bear interest at rates from 0.4% to 2.1%, mature March 1, 2020.

During 2013, the County issued $14,130,000 of Series 2013 general obligation bonds. The 2013 bonds were issued to finance costs of acquiring, constructing, renovating, and equipping parks and recreational areas, programs, and facilities in the County. The bonds, which bear interest at rates from 3.0% to 5.0%, mature March 1, 2028.

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued). In December 2017, the County issued $76,830,000 of Series 2017 general obligation refunding bonds at a premium of $7,316,538. The purpose of the refunding was to partially refund $7,415,000 of the Series 2013 general obligation bonds and $63,395,000 of the 2015A general obligation bonds. The Series 2017 bonds bear interest at rates from 3.12% to 5.0% and are payable annually on March 1 until maturity on March 1, 2035. The refunding transaction undertaken by the County resulted in aggregate debt service savings of $5,076,705 and an economic gain (net present value of the aggregate debt service savings) of $4,067,632. The current outstanding amount of debt considered legally defeased equals $7,415,000 for the Series 2013 general obligation bonds and $63,395,000 for the Series 2015A general obligation bonds as of December 31, 2017.

The County's debt service requirements to maturity on the general obligation bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2018	$ 12,980,000	$ 5,994,757	$ 18,974,757
2019	12,190,000	7,069,401	19,259,401
2020	10,620,000	6,579,840	17,199,840
2021	8,450,000	6,225,269	14,675,269
2022	9,000,000	5,800,619	14,800,619
2023 - 2027	61,040,000	21,034,219	82,074,219
2028 - 2032	43,295,000	6,658,619	49,953,619
2033 - 2035	22,495,000	1,108,022	23,603,022
Total	$ 180,070,000	$ 60,470,746	$ 240,540,746

Certificates of Participation. In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's participation totaling $7,777,000. The lease pool agreement with the Association provides that the County owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal of $7,777,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The County draws from the investment to lease equipment from the Association. The lease pool agreement requires the County to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation (Continued). As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is require to pay (1) a semi-annual (monthly beginning July 1, 2003) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (2) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates.

Monthly interest payments between the County, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the County's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge. In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the County executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At December 31, 2017, the floating rate being paid by the County is 2.02% and the fair value of this agreement is $1,890,785, a decrease of $136,885 from the prior year. The fair value of the hedge was determined using settlement prices at the end of the day on December 31, 2017 based on the derivative contract.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation (Continued). This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the Statement of Net Position.

The County's total certificates of participation debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal Year Ending December 31,			
2018	$ -	$ 369,408	$ 369,408
2019	-	369,408	369,408
2020	-	369,408	369,408
2021	-	369,408	369,408
2022	-	369,408	369,408
2023-2027	-	1,847,040	1,847,040
2028	7,777,000	184,704	7,961,704
Total	$ 7,777,000	$ 3,878,784	$ 11,655,784

Capital Leases – Equipment. The County has entered into lease agreements as lessee to finance the acquisition of telecommunications equipment and radios for use in general governmental activities. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The leases are for periods ranging from three to five years, and bear interest at rates ranging from 2.15% – 3.79%. As of December 31, 2017, the County had $10,130,418 of machinery and equipment with accumulated amortization of $1,329,289 financed with capital leases. The leased assets' annual amortization expense is reported with depreciation expense.

At December 31, 2017, future lease payments for the capital leases payable are as follows:

	Governmental Activities
Year Ending December 31,	
2018	$ 2,780,048
2019	2,737,067
Total minimum lease payments	5,517,115
Less amount representing interest	173,183
Present value of future minimum lease payments	$ 5,343,932

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds. Series 2011 Water and Sewer Revenue Bonds – In March 2011, the County Water and Sewerage Authority issued $28,480,000 in revenue bonds to refund the remaining $1,420,000 in aggregate principal amount of the Series 1998 Bonds maturing April 1, 2009 through 2015, and to refund the remaining $28,360,000 in aggregate principal amount of the Series 2001 Bonds, maturing April 1, 2009 through 2025. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 2.0% to 5.00%, mature April 1, 2025.

Series 2011 Variable Series Water and Sewer Revenue Bonds – In March 2011, the County Water and Sewerage Authority issued $30,465,000 in revenue bonds to refund the remaining $30,320,000 in aggregate principal amount of the Series 2005B Bonds maturing April 1, 2011 through 2035. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. Interest paid on the bonds is variable and the interest rate is determined by 75% of the one-month LIBOR plus a 58.5 basis point spread and the rate is reset monthly for an initial term of three years. The County has the option to renew the terms in August 2020 with a new negotiated spread. The variable rate in effect as of the year-end is 1.25% and the bonds mature April 1, 2035. The current outstanding amount of debt considered legally defeased equals $30,320,000 as of December 31, 2017.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds (Continued). Series 2012 Water and Sewer Revenue Bonds – In March 2012, the County Water and Sewerage Authority issued $27,195,000 in revenue bonds to refund the remaining $30,000,000 in aggregate principal amount of the Series 2002 Bonds maturing April 1, 2004 through 2032. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 2.0% to 5.0%, mature April 1, 2032.

Series 2013 Water and Sewer Revenue Bonds – In April 2013, the County Water and Sewerage Authority issued $27,435,000 in revenue bonds to refund $13,070,000 of the Series 2005A and $15,690,000 of the Series 2007 Bonds. The County has determined the refunding will reduce the Authority's debt service payments by $2,309,622 on an aggregate basis and a net present savings of $1,988,223. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 2.0% to 5.0%, mature April 1, 2032.

Series 2015 Water and Sewer Revenue Bonds – In March 2015, the County Water and Sewerage Authority issued $75,665,000 in revenue bonds to refund $935,000 of the Series 2005A Bonds, $23,735,000 of the Series 2007 Bonds, and to finance expansion of the County's water and sewerage system. The County has determined the refunding will reduce the Authority's debt service payments by $4,083,177 on an aggregate basis and a net present savings of $3,073,758. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 3.0% to 5.0%, mature April 1, 2044. At December 31, 2017, $39,425,000 of the defeased 2007 Bonds remain outstanding.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

Year ending December 31,	Principal	Interest	Total
2018	$ 5,460,000	$ 6,989,846	$ 12,449,846
2019	5,700,000	6,766,146	12,466,146
2020	5,920,000	6,533,746	12,453,746
2021	6,185,000	6,279,771	12,464,771
2022	6,450,000	6,001,321	12,451,321
2023-2027	36,785,000	25,156,433	61,941,433
2028-2032	46,840,000	15,892,300	62,732,300
2033-2037	44,930,000	7,801,363	52,731,363
2038-2042	13,030,000	3,242,750	16,272,750
2043-2044	6,195,000	313,625	6,508,625
Total	$ 177,495,000	$ 84,977,301	$ 262,472,301

Notes Payable. In 2011, the County entered into agreements with the Georgia Environmental Finance Authority to finance the construction of various water and sewer projects. The agreements were originally executed for $6,703,496, with interest rates of 3.0%. The agreements are paid each month beginning November 1, 2012 through April 1, 2034. The debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2018	$ 281,188	$ 168,147	$ 449,335
2019	289,740	159,595	449,335
2020	298,553	150,782	449,335
2021	307,634	141,701	449,335
2022	315,734	132,345	448,079
2023-2027	1,694,799	514,217	2,209,016
2028-2032	1,968,707	240,309	2,209,016
2033-2034	576,739	12,332	589,071
Total	$ 5,733,094	$ 1,519,428	$ 7,252,522

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable (Continued). In 2014, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of various water and sewer projects. As of December 31, 2017, the loan has a balance of $634,761 and is still in the draw down phase, therefore, a future payment schedule has not been established.

Landfill post-closure costs. Effective July 14, 1999, the Forsyth County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2017, the County has 13 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $1,617,397 over the 13-year period. These costs are based on what it would cost to perform all post-closure care in 2001, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Discretely Presented Component Unit – Public Facilities Authority

Debt activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 25,320,000	$ -	$ (1,175,000)	$ 24,145,000	$ 1,225,000
Original issue premium	4,973,992	-	(594,235)	4,379,757	-
Total revenue bonds payable, net	$ 30,293,992	$ -	$ (1,769,235)	$ 28,524,757	$ 1,225,000

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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

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

Year ending December 31,	Principal	Interest	Total
2018	$ 1,225,000	$ 1,110,575	$ 2,335,575
2019	1,290,000	1,047,700	2,337,700
2020	1,355,000	981,575	2,336,575
2021	1,425,000	912,075	2,337,075
2022	1,500,000	838,950	2,338,950
2023-2027	8,725,000	2,960,375	11,685,375
2028-2031	8,625,000	718,000	9,343,000
Total	$ 24,145,000	$ 8,569,250	$ 32,714,250

NOTE 9. DEFINED BENEFIT PENSION PLANS

Primary Government

Plan Description. The County contributes to the Forsyth County Defined Benefit Pension Plan, which is a single employer public employee retirement system. The plan does not issue a stand-alone report.

The Plan was established by resolution of the Board of Commissioners which grants the authority to establish and amend the Plan to the Administrative Committee, subject to approval and action by the Board of Commissioners. The Administrative Committee is comprised five (5) members who serve without compensation by the Plan. The members of the Administrative Committee consist of the County's Chief Financial Officer (by position), the Human Resources Director (by position), and three (3) at-large nominations from the Board of Commissioners.

The County created this plan simultaneously with changes to its Defined Contribution Plan (a 401(k) plan). There were a number of senior County employees who would not have been able to accrue adequate benefits for retirement as members of the Defined Contribution Plan. Therefore, the County provided the Defined Benefit Plan for a specific group of employees. This group, to be eligible, was required to have 10 years of continuous service as of December 31, 2000. The Plan is closed to new entrants. Participants become eligible to retire when they are 65 and have 10 years of continuous service or achieve a combination of years of service and age equal to 75 or greater. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.5% of Average Annual Compensation for each year of service. The Plan also provides benefits in the event of death or disability.

As of January 1, 2018, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	54
Terminated vested participants not yet receiving benefits	4
Active participants	22
	80

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (Continued)

Plan Description (Continued). The Plan's financial statements are prepared on an accrual basis, which include unrealized gains or losses on marketable securities owned by the Plan. Investments in securities are valued at current market prices. The trust fund is invested in various fixed income and equity mutual funds, along with money market funds. All of these investments are handled through Evergreen Investments, which is the asset management division of Wells Fargo & Company.

Contributions. A resolution by the Board of Commissioners grants the authority to establish and amend the contributions requirements of the County and active plan members to the Plan's Administrative Committee, subject to Board of Commissioners approval. The Board establishes rates based on an actuarially determined amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2017, the County's contribution rate was 55.3 percent of annual payroll. The Plan participants are not required to contribute to the plan.

Net Pension Liability of the County. The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. An expected total pension liability as of December 31, 2017 was determined using standard roll-forward techniques.

Actuarial Assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

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

Discount rate. The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2017 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2016	$ 19,819,521	$ 14,865,813	$ 4,953,708
Changes for the year:			
Service cost	153,508	-	153,508
Interest	1,342,712	-	1,342,712
Differences between expected and actual experience	(1,024,769)	-	(1,024,769)
Contributions—employer	-	1,000,000	(1,000,000)
Net investment income	-	2,062,163	(2,062,163)
Benefit payments, including refunds of employee contributions	(1,060,702)	(1,060,702)	-
Net changes	(589,251)	2,001,461	(2,590,712)
Balances at 12/31/2017	$ 19,230,270	$ 16,867,274	$ 2,362,996

As of December 31, 2017, the Plan's fiduciary net position as a percentage of the total pension liability is 87.7%.

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the net pension liability of the County, calculated using the discount rate of 6.90%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
$ 4,476,839	$ 2,362,996	$ 562,267

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2017 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources Related to Pensions. For the year ended December 31, 2017, the County recognized pension expense of $185,181. At December 31, 2017, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 271,403	$ 594,194
Changes in assumptions	658,646	-
Net difference between projected and actual earnings on pension plan investments	-	792,679
Total	$ 930,049	$ 1,386,873

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

Year ending December 31:	
2018	$ (255,312)
2019	(233,192)
2020	(109,002)
2021	(29,059)
2022	156,900
Thereafter	12,841
Total	$ (456,824)

NOTE 10. DEFINED CONTRIBUTION PLAN

The County has a 401(k) tax qualified defined contribution plan (The Forsyth County Profit Sharing Plan administered by Diversified Investment Advisors) as a retirement program for eligible employees. As of December 31, 2017, there were 1,329 plan members. The plan issues a stand-alone report. This report may be obtained from: Diversified Investment Advisors, 4333 Edgewood Road NE, Cedar Rapids, IA 52499. The plan is voluntary and the County matches 100% of the employee's contribution up to a maximum of 3% of their salary. After 10 years of service, the County will match 50% of an employee's contribution of up to an additional 3%. In addition, after three years of service, the County contributes 3% of an employee's pensionable earnings to the plan regardless of whether the employee contributes. For the year ended December 31, 2017, employee contributions were $4,424,249 and County contributions were $5,324,534. County contributions are vested over a five-year period at 20% per year. The investments are self-directed by the employee. The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County administers a single-employer defined benefit healthcare plan. The plan does not issue a stand-alone report. The plan provides healthcare coverage including medical, dental, vision, and prescription drug benefits for eligible retirees and their spouses through the County's self-funded health insurance plan, which covers both active and retired members. Eligible individuals include all regular, full-time employees of the County and their spouses and dependent children. In order to be eligible for retiree healthcare coverage, employees must have earned at least 75 points (age plus service) with the County or must have attained age 60 with at least five years of service. Coverage continues at the election of the retiree until age 65.

The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

Retirees must pay the required monthly premium for either single, single plus spouse, single plus children, or family coverage as applicable under the chosen plan of coverage.

As of January 1, 2016, the most recent actuarial valuation date, the plan membership included the following categories of participants:

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

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

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

Annual OPEB Cost

The County's annual other postemployment benefit (OPEB) cost and net OPEB obligation for the OPEB plan for the year beginning January 1, 2017 is as follows:

Derivation of Annual OPEB Cost	
Annual Required Contribution	$ 1,059,000
Interest on Net OPEB Obligation	44,000
Adjustment to the ARC	(94,000)
Annual OPEB Cost	$ 1,009,000

Derivation of Net OPEB Obligation	
Annual OPEB Cost for Current Year	$ 1,009,000
Actual Contributions to Plan for Current Year	80,480
Increase in Net OPEB Obligation	928,520
Net OPEB Obligation as of December 31, 2016	1,300,314
Net OPEB Obligation as of December 31, 2017	$ 2,228,834

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

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost (Continued)

The following is a schedule of funding progress using the projected unit credit actuarial cost method and the actuarial assumptions from the most recent actuarial valuation date (January 1, 2016):

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2016	$ -	$ 6,956,000	$ 6,956,000	- %	$ 67,725,000	10.27 %

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2017.

Trend Information for The Plan				
Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
12/31/17	$ 1,009,000	$ 80,480	8.0 %	$ 2,228,834
12/31/16	1,028,000	74,894	7.3	1,300,314
12/31/15	1,049,000	944,682	90.1	347,208

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents. Settlements have not exceeded insurance coverage in each of the past three years.

Medical Self-Insurance

The County provides health coverage for its employees under a plan of partial self-insurance. Under this plan, the County covers claim settlements and judgments out of its Employee Health Benefits Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2017, excess coverage was obtained for any individual claim in excess of $125,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The following describes the activity for the past two fiscal years.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2017	$ 3,476,402	$ 21,624,699	$ 22,454,011	$ 2,647,090
2016	3,013,496	21,999,211	21,536,305	3,476,402

Workers' Compensation

The County provides workers' compensation coverage for its employees under a plan of partial self-insurance. Under this plan, the County covers claim settlements and judgments out of its Workers' Compensation Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Workers' Compensation (Continued)

The County has purchased commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2017, excess coverage was obtained for any individual claims in excess of $325,000. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Settled claims have not exceeded the County's additional coverage in any of the past three (3) periods.

The following describes the activity for the past two fiscal years.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2017	$ 1,280,000	$ 385,539	$ 525,539	$ 1,140,000
2016	1,050,000	1,089,362	859,362	1,280,000

General Liability

The County participates in the Association of County Commissioners of Georgia Interlocal Risk Management Agency (IRMA), a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of the risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

NOTE 12. RISK MANAGEMENT (CONTINUED)

General Liability (Continued)

The County participates in the large deductible option with a $50,000 deductible. Under this plan, Forsyth County is responsible for all payments up to $50,000 per occurrence on general liability claims. Once an individual claim exceeds the deductible, the plan will pay all costs in excess of the deductible. As of December 31, 2017, an actuary determined that an estimated $740,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2017 for which Forsyth County will be liable.

The following describes the activity for the past two fiscal years.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2017	$ 570,000	$ 1,551,405	$ 1,381,405	$ 740,000
2016	630,000	1,184,975	1,244,975	570,000

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2017, the County has contractual commitments on uncompleted contracts of approximately $96,575,441.

Litigation

The County is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of County operations. Although the outcome of these cases is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Grant Contingencies

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

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountain Regional Commission and is required to pay annual dues thereto. During the year ended December 31, 2017, the County paid $229,207 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia.

The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from:

Georgia Mountain Regional Commission
P.O. Box 1720
Gainesville, GA 30503

NOTE 15. HOTEL/MOTEL TAX

The County has levied a 5% lodging tax. During the year ended December 31, 2017, the County collected $618,503 in revenues. Of this amount $618,503 or 100.0%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 16. SUBSEQUENT EVENT

On March 15, 2018, the County entered into a settlement agreement regarding a contractual dispute with a company that had been previously hired by the County to manage operational aspects of one of its water treatment facilities. Under the terms of the settlement, the County is to receive $3 million in exchange for releasing the company from further obligations under the contract.

REQUIRED SUPPLEMENTARY INFORMATION

2017 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



FORSYTH COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 90,437,795	$ 91,124,205	$ 94,507,921	$ 3,383,716
Licenses and permits	6,997,900	6,997,900	6,829,011	(168,889)
Intergovernmental	653,500	715,400	394,577	(320,823)
Fines and forfeitures	2,519,600	2,519,600	2,454,536	(65,064)
Charges for services	13,252,400	15,124,900	16,077,656	952,756
Interest income	200,000	200,000	480,090	280,090
Contributions	3,500	6,000	23,390	17,390
Miscellaneous	1,635,700	1,641,700	738,272	(903,428)
Total revenues	115,700,395	118,329,705	121,505,453	3,175,748
Expenditures:				
Current:				
General government:				
Board of commissioners	1,333,500	1,455,500	1,003,915	451,585
Administration	1,240,300	1,249,200	1,072,763	176,437
Voter registration	1,186,900	1,199,247	548,007	651,240
Finance	1,492,500	1,541,997	1,394,161	147,836
Payroll	243,300	247,948	226,221	21,727
Procurement	653,000	673,032	648,745	24,287
Information system and technology	4,251,700	4,309,354	4,154,575	154,779
GIS	1,212,400	1,244,444	1,151,406	93,038
Personnel services	928,700	997,213	883,170	114,043
Tax commissioner	3,816,100	3,899,665	3,716,486	183,179
Tax assessor	2,873,000	2,960,225	2,780,828	179,397
Records management	985,900	997,912	610,097	387,815
Public facilities	5,684,100	5,944,770	5,307,514	637,256
Planning and community development	38,500	40,799	34,097	6,702
Other	7,054,795	5,344,646	3,550,371	1,794,275
Total general government	32,994,695	32,105,952	27,082,356	5,023,596
Judicial:				
Judicial administration	608,900	619,382	482,333	137,049
Superior court	580,400	586,664	560,188	26,476
Clerk superior court	2,752,800	2,810,715	2,767,597	43,118
District attorney	864,700	887,918	849,216	38,702
State court	963,900	981,058	951,265	29,793
Magistrate court	1,057,100	1,069,697	1,025,321	44,376
Probate court	1,172,800	1,197,751	1,071,022	126,729
Juvenile court	1,894,700	2,086,988	2,084,266	2,722
Solicitor-state court	1,599,900	1,638,110	1,581,529	56,581
Indigent defense	1,750,000	1,773,934	1,497,595	276,339
Pretrial services	231,900	240,035	227,086	12,949
Total judicial	13,477,100	13,892,252	13,097,418	794,834
Public safety:				
Sheriff's office	39,495,600	40,957,480	40,407,034	550,446
Ambulance services	1,305,900	1,305,900	1,305,747	153
Dispatchers	353,800	356,936	293,846	63,090
Coroner and medical examiner	158,900	208,700	263,088	(54,388)
Animal shelter	870,900	946,372	853,782	92,590
Total public safety	42,185,100	43,775,388	43,123,497	651,891
Public works:				
Fleet maintenance	-	47,432	47,432	-
Total public works	-	47,432	47,432	-

(Continued)

FORSYTH COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health department	$ 150,100	$ 150,100	$ 149,644	$ 456
Senior citizens center	1,501,300	1,641,077	1,496,925	144,152
Community service	10,700	10,700	1,598	9,102
Total health and welfare	1,662,100	1,801,877	1,648,167	153,710
Culture and recreation:				
Parks and recreation	9,932,700	10,175,834	9,591,752	584,082
Library	5,587,900	5,778,758	5,744,028	34,730
Total culture and recreation	15,520,600	15,954,592	15,335,780	618,812
Housing and development:				
Conservation	105,400	110,606	109,768	838
Planning and community development	6,098,300	6,311,266	4,611,658	1,699,608
County agent	-	-	-	-
Code enforcement	652,900	676,975	660,059	16,916
Economic development	145,000	265,000	248,712	16,288
Total housing and development	7,001,600	7,363,847	5,630,197	1,733,650
Debt service:				
Principal	43,000	39,900	39,900	-
Interest	-	3,082	3,082	-
Total debt service	43,000	42,982	42,982	-
Total expenditures	112,884,195	114,984,322	106,007,829	8,976,493
Excess of revenues over expenditures	2,816,200	3,345,383	15,497,624	12,152,241
Other financing sources (uses):				
Proceeds from sale of capital assets	150,000	150,000	204,055	54,055
Transfers in	750,000	750,000	750,000	-
Transfers out	(5,035,300)	(17,257,096)	(17,236,391)	20,705
Total other financing sources (uses)	(4,135,300)	(16,357,096)	(16,282,336)	74,760
Net change in fund balances	(1,319,100)	(13,011,713)	(784,712)	12,227,001
Fund balances, beginning of year	54,186,661	54,186,661	54,186,661	-
Fund balances, end of year	$ 52,867,561	$ 41,174,948	$ 53,401,949	$ 12,227,001

FORSYTH COUNTY, GEORGIA

FIRE DISTRICT FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 20,793,469	$ 20,793,469	$ 21,169,347	$ 375,878
Intergovernmental	-	7,944	7,943	(1)
Interest income	30,000	30,000	34,710	4,710
Contributions	2,700	2,700	-	(2,700)
Miscellaneous	39,000	256,108	31,625	(224,483)
Total revenues	20,865,169	21,090,221	21,243,625	153,404
Expenditures:				
Current:				
Public safety	20,583,550	21,814,671	20,203,002	1,611,669
Total expenditures	20,583,550	21,814,671	20,203,002	1,611,669
Excess (deficiency) of revenues over expenditures	281,619	(724,450)	1,040,623	1,765,073
Other financing sources (uses):				
Proceeds from sale of assets	-	-	3,000	3,000
Transfers in	-	-	217,109	217,109
Transfers out	(52,700)	(52,700)	(125,022)	(72,322)
Total other financing sources (uses)	(52,700)	(52,700)	95,087	147,787
Net changes in fund balances	228,919	(777,150)	1,135,710	1,912,860
Fund balances, beginning of year	5,268,692	5,268,692	5,268,692	-
Fund balances, end of year	$ 5,497,611	$ 4,491,542	$ 6,404,402	$ 1,912,860

FORSYTH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Other Post-Employment Benefit Plan						
Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
January 1, 2016	$ -	$ 6,956,000	$ 6,956,000	0.0%	$ 67,725,000	10.3%
January 1, 2014	-	2,163,000	2,163,000	0.0%	59,667,000	3.6%
April 1, 2012	-	3,099,000	3,099,000	0.0%	46,580,000	6.7%

See assumptions used for this schedule in the notes to the financial statements.

FORSYTH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 153,508	$ 191,249	$ 210,781	$ 195,813
Interest on total pension liability	1,342,712	1,293,085	1,177,655	1,228,732
Differences between expected and actual experience	(1,024,769)	237,513	159,510	-
Changes in assumptions	-	-	1,071,161	-
Benefit payments, including refunds of employee contributions	(1,060,702)	(940,744)	(886,675)	(802,177)
Net change in total pension liability	(589,251)	781,103	1,732,432	622,368
Total pension liability - beginning	19,819,521	19,038,418	17,305,986	16,683,618
Total pension liability - ending (a)	$ 19,230,270	$ 19,819,521	$ 19,038,418	$ 17,305,986
Plan fiduciary net position				
Contributions - employer	$ 1,000,000	$ 1,000,000	$ 900,000	$ 1,000,000
Net investment income	2,062,163	1,278,960	13,832	991,813
Benefit payments, including refunds of member contributions	(1,060,702)	(940,744)	(886,675)	(802,177)
Net change in plan fiduciary net position	2,001,461	1,338,216	27,157	1,189,636
Plan fiduciary net position - beginning	14,865,813	13,527,597	13,500,440	12,310,804
Plan fiduciary net position - ending (b)	$ 16,867,274	$ 14,865,813	$ 13,527,597	$ 13,500,440
County's net pension liability - ending (a) - (b)	$ 2,362,996	$ 4,953,708	$ 5,510,821	$ 3,805,546
Plan fiduciary net position as a percentage of the total pension liability	87.7%	75.0%	71.1%	78.0%
Covered payroll	$ 1,809,638	$ 2,129,390	$ 2,189,987	$ 2,462,389
Net pension liability as a percentage of covered payroll	130.6%	232.6%	251.6%	154.5%

Notes to the Schedule:

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

FORSYTH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF COUNTY CONTRIBUTIONS

	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 1,000,000	$ 1,000,000	$ 900,000	$ 1,000,000	$ 847,220
Contributions in relation to the actuarially determined contribution	1,000,000	1,000,000	900,000	1,000,000	847,220
Contribution excess	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,809,638	$ 2,129,390	$ 2,189,987	$ 2,462,389	$ 2,924,601
Contributions as a percentage of covered payroll	55.3%	47.0%	41.1%	40.6%	29.0%

	2012	2011	2010	2009	2008
Actuarially determined contribution	$ 1,000,000	$ 1,000,000	$ 1,200,000	$ 796,399	$ 629,743
Contributions in relation to the actuarially determined contribution	1,000,000	1,000,000	1,200,000	796,399	629,743
Contribution excess	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,877,352	$ 2,775,052	$ 3,087,294	$ 3,569,495	$ 3,398,361
Contributions as a percentage of covered payroll	34.8%	36.0%	38.9%	22.3%	18.5%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	January 1, 2017
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Market value
Assumed Rate of Return on Investments	6.9%
Projected Salary Increases	4.0%, which includes 1.5% due to merit and 2.5% for inflation
Cost-of-living Adjustment	None
Amortization Method	Level dollar for unfunded liability
Remaining Amortization Period	30 years (open)

FORSYTH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF PENSION INVESTMENT RETURNS

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses for the County's Pension Plan	13.00%	9.01%	0.10%	7.69%

Notes to the Schedule:

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Victims Rights & Assistance Fund - to account for funds collected from fines and forfeitures that are used to assist victims of crime. The allowable expenditures of these fines are restricted under state law.

Drug Abuse Treatment & Education Fund - to account for funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Treatment and Education Fund. The allowable expenditures of these fines are restricted under state law.

Emergency 911 Telephone System Fund - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services. The E911 charges are restricted in purpose by state law.

Sheriff's Law Enforcement Fund - to account for funds from seizures, which are restricted by state law, to be used for law enforcement activities.

District Attorney Seizure Fund - to account for funds received through seizures, which are restricted by state law, to be used for activities within the District Attorney's office.

Law Library Fund - to account for the revenues and related expenditures of operating the County's Law Library. The allowable expenditures of these fines are restricted under state law.

Juvenile Court Fund - to account for funds from fines and forfeitures to be used for law enforcement activities. The allowable expenditures of these fines are restricted under state law.

Grant Fund - to account for restricted grant monies received from various Federal and State agencies.

Insurance Premium Tax Fund - to account for the insurance premium tax and the expenditures related to the tax. Revenues generated from this tax are restricted for the benefit of providing services primarily provided to unincorporated areas of the County, as restricted by State Law.

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

Hotel/Motel Tax Fund - to account for the collection of hotel/motel taxes within the County and for the expenditures made distributing the collections to the appropriate entities. These taxes are restricted by state law on how they can be expended.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

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

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

Debt Service Fund

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

FORSYTH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

ASSETS	Special Revenue Funds							
	Victims Rights & Assistance Fund	Drug Abuse Treatment & Education Fund	Emergency 911 Telephone System Fund	Sheriff's Law Enforcement Fund	Distict Attorney Seizure Fund	Law Library Fund	Juvenile Court Fund	Grant Fund
Cash and cash equivalents	$ 36,878	$ 560,465	$ 1,924,777	$ 414,975	$ 82,220	$ 71,679	$ 20,677	$ 1,382,831
Receivables, net of allowance for uncollectibles	-	-	696,595	8,752	-	7,269	225	6,480
Taxes receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	1,753	20,431	-	-	-	-	-	893,004
Prepaid items	-	-	59,845	-	-	-	-	10,117
Due from other funds	-	-	-	-	-	-	-	91,755
Restricted assets:								
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Total assets	$ 38,631	$ 580,896	$ 2,681,217	$ 423,727	$ 82,220	$ 78,948	$ 20,902	$ 2,384,187
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 1,170	$ 25,663	$ 32,895	$ 2,812	$ -	$ -	$ -	$ 1,692,285
Due to other funds	-	-	-	-	-	8,960	-	795,279
Advances from other funds	-	-	335,452	-	-	-	-	-
Total liabilities	1,170	25,663	368,347	2,812	-	8,960	-	2,487,564
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-	-	-	272,546
Deferred revenue - property taxes	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	272,546
FUND BALANCES								
Nonspendable:								
Prepaid items	-	-	59,845	-	-	-	-	10,117
Advances	-	-	-	-	-	-	-	-
Restricted:								
Crime victims' assistance	37,461	-	-	-	-	-	-	-
Law enforcement activities	-	555,233	-	420,915	82,220	-	20,902	-
Law library operations	-	-	-	-	-	69,988	-	-
Emergency 911 services	-	-	2,253,025	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Assigned:								
Capital projects	-	-	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-	-	(386,040)
Total fund balances	37,461	555,233	2,312,870	420,915	82,220	69,988	20,902	(375,923)
Total liabilities, deferred inflows of resources and fund balances	$ 38,631	$ 580,896	$ 2,681,217	$ 423,727	$ 82,220	$ 78,948	$ 20,902	$ 2,384,187

Special Revenue Funds			Capital Projects Funds				
Insurance Premium Tax Fund	County Jail Fund	Hotel/Motel Tax Fund	Capital Projects Fund	Transportation Bond	Impact Fees Fund	Debt Service	Total Nonmajor Governmental Funds
$ 8,032,419	$ 713,739	$ 49,297	$ 29,937,345	$ -	$ 11,875,339	$ 32,889,707	$ 87,992,348
				-			
8	10,503	-	14,466	3,455	68,812	142,475	959,040
-	-	43,931	-	-	-	466,756	510,687
-	-	-	-	-	-	-	915,188
-	-	-	10,000	-	-	-	79,962
-	-	-	-	-	-	-	91,755
-	-	-	5,336,724	49,758,880	-	-	55,095,604
-	-	-	5,897,223	-	-	-	5,897,223
-	-	-	480,191	-	-	-	480,191
$ 8,032,427	$ 724,242	$ 93,228	$ 41,675,949	$ 49,762,335	$ 11,944,151	$ 33,498,938	$ 152,021,998
$ 1,745,114	$ -	$ 93,228	$ 389,059	3,961,260	$ 150,068	$ -	$ 8,093,554
1,039,934	-	-	89,213	16,097	28,511	-	1,977,994
-	-	-	-	-	-	-	335,452
2,785,048	-	93,228	478,272	3,977,357	178,579	-	10,407,000
-	-	-	-	-	-	96,860	96,860
-	-	-	-	-	-	-	272,546
-	-	-	-	-	-	16,786,201	16,786,201
-	-	-	-		-	16,883,061	17,155,607
-	-	-	10,000	-	-	-	79,962
-	-	-	480,191	-	-	-	480,191
-	-	-	-	-	-	-	37,461
-	724,242	-	-	-	-	-	1,803,512
-	-	-	-	-	-	-	69,988
-	-	-	-	-	-	-	2,253,025
5,247,379	-	-	11,233,947	45,784,978	11,765,572	-	74,031,876
-	-	-	-	-	-	16,615,877	16,615,877
-	-	-	29,473,539	-	-	-	29,473,539
-	-	-	-	-	-	-	(386,040)
5,247,379	724,242	-	41,197,677	45,784,978	11,765,572	16,615,877	124,459,391
$ 8,032,427	$ 724,242	$ 93,228	$ 41,675,949	$ 49,762,335	$ 11,944,151	$ 33,498,938	$ 152,021,998

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds							
	Victims Rights & Assistance Fund	Drug Abuse Treatment & Education Fund	Emergency 911 Telephone System Fund	Sheriff's Law Enforcement Fund	Distict Attorney Seizure Fund	Law Library Fund	Juvenile Court Fund	Grant Fund
Revenues:								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	4,585,141
Fines and forfeitures	119,163	486,158	-	51,143	2,672	96,301	12,050	-
Licenses and permits	-	-	-	-	-	-	-	-
Charges for services	-	-	4,321,769	-	-	-	-	36,814
Interest income	782	7,223	26,157	2,892	-	-	263	-
Contributions and donations	-	-	-	5,067	-	-	-	44,008
Miscellaneous	-	8,456	-	97,939	-	7,263	-	-
Total revenues	119,945	501,837	4,347,926	157,041	2,672	103,564	12,313	4,665,963
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Judicial	398,394	-	-	-	-	100,930	19,800	475,574
Public safety	-	553,071	4,091,968	59,251	831	-	-	186,923
Public works	-	-	-	-	-	-	-	3,311,000
Housing and development	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	1,357,090
Intergovernmental expenditures	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	398,394	553,071	4,091,968	59,251	831	100,930	19,800	5,330,587
Excess (deficiency) of revenues over expenditures	(278,449)	(51,234)	255,958	97,790	1,841	2,634	(7,487)	(664,624)
Other financing sources (uses):								
Proceeds from disposal of capital assets	-	-	-	30,473	-	-	-	-
Issuance of general obligation refunding bonds	-	-	-	-	-	-	-	-
Original issue premium	-	-	-	-	-	-	-	-
Refunding deposit with escrow agent	-	-	-	-	-	-	-	-
Transfers in	311,900	-	419,315	-	-	-	-	983,873
Transfers out	(22,700)	-	-	-	-	-	-	(868,503)
Total other financing sources (uses)	289,200	-	419,315	30,473	-	-	-	115,370
Net change in fund balances	10,751	(51,234)	675,273	128,263	1,841	2,634	(7,487)	(549,254)
Fund balances, beginning of year	26,710	606,467	1,637,597	292,652	80,379	67,354	28,389	173,331
Fund balances, end of year	$ 37,461	$ 555,233	$ 2,312,870	$ 420,915	$ 82,220	$ 69,988	$ 20,902	$ (375,923)

Special Revenue Funds			Capital Projects Funds				
Insurance Premium Tax Fund	County Jail Fund	Hotel/Motel Tax Fund	Capital Projects Fund	Transportation Bond	Impact Fees Fund	Debt Service	Total Nonmajor Governmental Funds
$ 10,172,529	$ -	$ 618,503	$ -	$ -	$ -	$ 16,065,225	$ 26,856,257
296,172	-	-	-	-	-	-	4,881,313
197,852	244,429	-	-	-	-	-	1,209,768
37,649	-	-	-	-	-	-	37,649
18	-	-	-	-	10,323,327	-	14,681,928
5,992	9,481	-	760,412	239,136	84,241	176,466	1,313,045
-	-	-	550	-	-	-	49,625
2,300	-	-	83,863	-	-	-	199,821
10,712,512	253,910	618,503	844,825	239,136	10,407,568	16,241,691	49,229,406
-	-	-	320,724	-	-	6,098	326,822
-	-	-	-	-	-	-	994,698
-	9,935	-	-	-	-	-	4,901,979
10,765,695	-	-	39,327	-	-	-	14,116,022
-	-	618,503	-	-	99,247	-	717,750
-	-	-	-	-	-	-	1,357,090
-	-	-	-	-	122,647	-	122,647
-	-	-	10,406,886	14,129,784	3,275,196	-	27,811,866
-	-	-	2,567,854	-		7,055,000	9,622,854
-	-	-	610,972	-	-	8,308,552	8,919,524
-	-	-	-	-	-	439,438	439,438
10,765,695	9,935	618,503	13,945,763	` 14,129,784	3,497,090	15,809,088	69,330,690
(53,183)	243,975	-	(13,100,938)	(13,890,648)	6,910,478	432,603	(20,101,284)
-	-	-	-	-	-	-	30,473
-	-	-	-	-	-	76,830,000	76,830,000
-	-	-	-	-	-	7,316,538	7,316,538
-	-	-	-	-	-	(83,698,244)	(83,698,244)
61,275	-	-	15,627,394	426,726	-	-	17,830,483
(109,945)	-	-	(636,424)	-	-	-	(1,637,572)
(48,670)	-	-	14,990,970	426,726	-	448,294	16,671,678
(101,853)	243,975	-	1,890,032	(13,463,922)	6,910,478	880,897	(3,429,606)
5,349,232	480,267	-	39,307,645	59,248,900	4,855,094	15,734,980	127,888,997
$ 5,247,379	$ 724,242	$ -	$ 41,197,677	$ 45,784,978	$ 11,765,572	$ 16,615,877	$ 124,459,391

FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 110,000	$ 110,000	$ 119,163	$ 9,163
Interest income	-	-	782	782
Total revenues	110,000	110,000	119,945	9,945
Expenditures:				
Current:				
Judicial	399,200	415,099	398,394	16,705
Total expenditures	399,200	415,099	398,394	16,705
Deficiency of revenues over expenditures	(289,200)	(305,099)	(278,449)	26,650
Other financing sources (uses):				
Transfers in	311,900	311,900	311,900	-
Transfers out	(22,700)	(22,700)	(22,700)	-
Total other financing sources (uses)	289,200	289,200	289,200	-
Net changes in fund balances	-	(15,899)	10,751	26,650
Fund balances, beginning of year	26,710	26,710	26,710	-
Fund balances, end of year	$ 26,710	$ 10,811	$ 37,461	$ 26,650

FORSYTH COUNTY, GEORGIA
DRUG ABUSE TREATMENT & EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 537,000	$ 537,000	$ 486,158	$ (50,842)
Interest income	-	-	7,223	7,223
Miscellaneous	13,000	16,000	8,456	(7,544)
Total revenues	550,000	553,000	501,837	(51,163)
Expenditures:				
Current:				
Public safety	670,000	744,967	553,071	191,896
Total expenditures	670,000	744,967	553,071	191,896
Net changes in fund balances	(120,000)	(191,967)	(51,234)	140,733
Fund balances, beginning of year	606,467	606,467	606,467	-
Fund balances, end of year	$ 486,467	$ 414,500	$ 555,233	$ 140,733

FORSYTH COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE SYSTEM

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 4,365,000	$ 4,365,000	$ 4,321,769	$ (43,231)
Interest income	-	-	26,157	26,157
Total revenues	4,365,000	4,365,000	4,347,926	(17,074)
Expenditures:				
Current:				
Public safety	4,365,000	4,927,340	4,091,968	835,372
Total expenditures	4,365,000	4,927,340	4,091,968	835,372
Excess (deficiency) of revenues over expenditures	-	(562,340)	255,958	818,298
Other financing sources:				
Transfers in	-	-	419,315	419,315
Total other financing sources	-	-	419,315	419,315
Net changes in fund balances	-	(562,340)	675,273	1,237,613
Fund balances, beginning of year	1,637,597	1,637,597	1,637,597	-
Fund balances, end of year	$ 1,637,597	$ 1,075,257	$ 2,312,870	$ 1,237,613

FORSYTH COUNTY, GEORGIA
SHERIFF'S LAW ENFORCEMENT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 550,000	$ 257,348	$ 51,143	$ (206,205)
Interest income	-	-	2,892	2,892
Contributions	1,000	1,000	5,067	4,067
Miscellaneous	-	-	97,939	97,939
Total revenues	551,000	258,348	157,041	(101,307)
Expenditures:				
Current:				
Public safety	551,000	383,464	59,251	324,213
Total expenditures	551,000	383,464	59,251	324,213
Excess (deficiency) of revenues over expenditures	-	(125,116)	97,790	222,906
Other financing sources:				
Proceeds from disposal of capital assets	-	-	30,473	30,473
Total other financing sources	-	-	30,473	30,473
Net changes in fund balances	-	(125,116)	128,263	253,379
Fund balances, beginning of year	292,652	292,652	292,652	-
Fund balances, end of year	$ 292,652	$ 167,536	$ 420,915	$ 253,379

FORSYTH COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 3,600	$ 3,600	$ 2,672	$ (928)
Total revenues	3,600	3,600	2,672	(928)
Expenditures:				
Current:				
Public safety	3,600	3,600	831	2,769
Total expenditures	3,600	3,600	831	2,769
Net changes in fund balances	-	-	1,841	1,841
Fund balances, beginning of year	80,379	80,379	80,379	-
Fund balances, end of year	$ 80,379	$ 80,379	$ 82,220	$ 1,841

FORSYTH COUNTY, GEORGIA
LAW LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 97,000	$ 97,000	$ 96,301	$ (699)
Miscellaneous	-	-	7,263	7,263
Total revenues	97,000	97,000	103,564	6,564
Expenditures:				
Current:				
Judicial	101,400	101,400	100,930	470
Total expenditures	101,400	101,400	100,930	470
Net changes in fund balances	(4,400)	(4,400)	2,634	7,034
Fund balances, beginning of year	67,354	67,354	67,354	-
Fund balances, end of year	$ 62,954	$ 62,954	$ 69,988	$ 7,034

FORSYTH COUNTY, GEORGIA
JUVENILE COURT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 28,000	$ 28,000	$ 12,050	$ (15,950)
Interest income	-	-	263	263
Total revenues	28,000	28,000	12,313	(15,687)
Expenditures:				
Current:				
Judicial	28,000	28,000	19,800	8,200
Total expenditures	28,000	28,000	19,800	8,200
Net changes in fund balances	-	-	(7,487)	(7,487)
Fund balances, beginning of year	28,389	28,389	28,389	-
Fund balances, end of year	$ 28,389	$ 28,389	$ 20,902	$ (7,487)

FORSYTH COUNTY, GEORGIA
GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,462,000	$ 5,719,326	$ 4,585,141	$ (1,134,185)
Charges for services	38,400	38,400	36,814	(1,586)
Contributions and donations	40,000	40,000	44,008	4,008
Total revenues	1,540,400	5,797,726	4,665,963	(1,131,763)
Expenditures:				
Current:				
Judicial	620,900	838,204	475,574	362,630
Public safety	188,400	199,300	186,923	12,377
Public works	217,900	4,372,022	3,311,000	1,061,022
Health and welfare	1,499,800	1,514,243	1,357,090	157,153
Total expenditures	2,527,000	6,923,769	5,330,587	1,593,182
Deficiency of revenues over expenditures	(986,600)	(1,126,043)	(664,624)	461,419
Other financing sources (uses):				
Transfers in	986,600	1,126,043	983,873	(142,170)
Transfers out	-	-	(868,503)	(868,503)
Total other financing sources (uses)	986,600	1,126,043	115,370	(1,010,673)
Net changes in fund balances	-	-	(549,254)	(549,254)
Fund balances, beginning of year	173,331	173,331	173,331	-
Fund balances, end of year	$ 173,331	$ 173,331	$ (375,923)	$ (549,254)

FORSYTH COUNTY, GEORGIA
INSURANCE PREMIUM TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 8,900,000	$ 8,961,569	$ 10,172,529	$ 1,210,960
Intergovernmental	-	-	296,172	296,172
Fines and forfeitures	-	197,852	197,852	-
Licenses and permits	-	-	37,649	37,649
Charges for services	-	-	18	18
Interest income	-	-	5,992	5,992
Miscellaneous	1,500	1,500	2,300	800
Total revenues	8,901,500	9,160,921	10,712,512	1,551,591
Expenditures:				
Current:				
Public works	9,732,800	11,558,476	10,765,695	792,781
Total expenditures	9,732,800	11,558,476	10,765,695	792,781
Deficiency of revenues over expenditures	(831,300)	(2,397,555)	(53,183)	2,344,372
Other financing sources (uses):				
Transfers in	-	61,275	61,275	-
Transfers out	(97,400)	(222,400)	(109,945)	112,455
Total other financing sources (uses)	(97,400)	(161,125)	(48,670)	112,455
Net changes in fund balances	(928,700)	(2,558,680)	(101,853)	2,456,827
Fund balances, beginning of year	5,349,232	5,349,232	5,349,232	-
Fund balances, end of year	$ 4,420,532	$ 2,790,552	$ 5,247,379	$ 2,456,827

FORSYTH COUNTY, GEORGIA
COUNTY JAIL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 230,000	$ 230,000	$ 244,429	$ 14,429
Interest income	-	-	9,481	9,481
Total revenues	230,000	230,000	253,910	23,910
Expenditures:				
Current:				
Public safety	230,000	230,000	9,935	220,065
Total expenditures	230,000	230,000	9,935	220,065
Net changes in fund balances	-	-	243,975	243,975
Fund balances, beginning of year	480,267	480,267	480,267	-
Fund balances, end of year	$ 480,267	$ 480,267	$ 724,242	$ 243,975

FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 464,800	$ 618,503	$ 618,503	$ -
Total revenues	464,800	618,503	618,503	-
Expenditures:				
Current:				
Housing and development	464,800	618,503	618,503	-
Total expenditures	464,800	618,503	618,503	-
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

FORSYTH COUNTY, GEORGIA
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 15,537,532	$ 15,537,532	$ 16,065,225	$ 527,693
Investment income	25,000	25,000	176,466	151,466
Total revenues	15,562,532	15,562,532	16,241,691	679,159
Expenditures:				
Current:				
General government	5,000	6,500	6,098	402
Debt service:				
Principal	7,055,000	7,055,000	7,055,000	-
Interest	8,308,731	8,308,731	8,308,552	179
Bond issuance costs	-	439,438	439,438	-
Total expenditures	15,368,731	15,809,669	15,809,088	581
Excess (deficiency) of revenues over expenditures	193,801	(247,137)	432,603	679,740
Other financing sources (uses):				
Issuance of general obligation refunding bonds	-	84,137,682	76,830,000	(7,307,682)
Original issue premium	-	-	7,316,538	7,316,538
Refunding deposit with escrow agent	-	(83,698,244)	(83,698,244)	-
Total other financing sources (uses)	-	439,438	448,294	8,856
Net changes in fund balances	193,801	192,301	880,897	688,596
Fund balances, beginning of year	15,734,980	15,734,980	15,734,980	-
Fund balances, end of year	$ 15,928,781	$ 15,927,281	$ 16,615,877	$ 688,596

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VI - 2008 SPLOST					
Road, street, bridges and sidewalks	$ 108,600,000	$ 102,957,263	$ 98,357,602	$ 3,589,593	$ 101,947,195
Public safety facilities	17,800,000	12,972,625	5,086,628	318,802	5,405,430
Park and recreation facilities	13,500,000	11,137,500	10,415,211	711,076	11,126,287
Library facilities	7,200,000	5,940,000	5,694,069	-	5,694,069
Cultural facilities	6,000,000	6,382,656	5,572,333	810,323	6,382,656
Payments to the City of Cumming	6,900,000	6,075,666	6,075,666	-	6,075,666
Total 2008 SPLOST	$ 160,000,000	$ 145,465,710	$ 131,201,509	$ 5,429,794	$ 136,631,303
SPLOST VII - 2013 SPLOST					
Courthouse and Jail Expansion	$ 100,000,000	$ 100,000,000	$ 92,259,011	$ 264,928	$ 92,523,939
Road, street, bridges and sidewalks	76,925,025	76,925,025	37,385,970	5,982,290	43,368,260
Animal Shelter	2,999,975	2,999,975	1,649,844	-	1,649,844
Libraries	2,800,000	2,800,000	-	1,065,015	1,065,015
Public Safety Improvements	3,900,000	3,900,000	-	1,314,675	1,314,675
Emergency Water Generator	1,000,000	1,000,000	1,000,000	-	1,000,000
Payments to the City of Cumming	12,375,000	12,375,000	2,282,062	4,689,989	6,972,051
Total 2013 SPLOST	$ 200,000,000	$ 200,000,000	$ 134,576,887	$ 13,316,897	$ 147,893,784

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Risk Management Fund – to account for charges to other funds and for the payment of general liability and property insurance and the payment of claims.

Employee Health Benefit Fund – to account for charges to other funds and for the payment of the County's health insurance and claims.

Workers' Compensation Fund – to account for charges to other funds and for the payment of the workers' compensation insurance and claims.

Fleet Maintenance Fund – to account for charges to other funds and to account for the costs of operating the fleet maintenance function.

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017

	Risk Management Fund	Employee Health Benefits Fund	Workers' Compensation Fund	Fleet Maintenance Fund	Total
ASSETS					
Current assets:					
Cash	$ 2,201,394	$ 3,594,988	$ 894,926	$ -	$ 6,691,308
Investments	-	-	2,031,044	-	2,031,044
Receivables	72,354	429,295	10,125	-	511,774
Inventories	-	-	-	247,015	247,015
Prepaid items	362,081	-	-	-	362,081
Total current assets	2,635,829	4,024,283	2,936,095	247,015	9,843,222
Noncurrent assets:					
Capital assets:					
Capital assets, being depreciated	156,557	-	-	991,001	1,147,558
Less accumulated depreciation	(52,675)	-	-	(728,482)	(781,157)
Total capital assets, net of accumulated depreciation	103,882	-	-	262,519	366,401
Total assets	2,739,711	4,024,283	2,936,095	509,534	10,209,623
LIABILITIES					
Current liabilities:					
Accounts payable	79,603	264,884	16,725	26,317	387,529
Compensated absences, due within one year	11,362	-	-	70,507	81,869
Claims payable, due within one year	210,981	2,647,090	659,865	-	3,517,936
Total current liabilities	301,946	2,911,974	676,590	96,824	3,987,334
Long-term liabilities:					
Compensated absences, due in more than one year	2,840	-	-	17,627	20,467
Claims payable, long term	529,019	-	480,135	-	1,009,154
Total long-term liabilities	531,859	-	480,135	17,627	1,029,621
Total liabilities	833,805	2,911,974	1,156,725	114,451	5,016,955
NET POSITION					
Investment in capital assets	103,882	-	-	262,519	366,401
Unrestricted	1,802,024	1,112,309	1,779,370	132,564	4,826,267
Total net position	$ 1,905,906	$ 1,112,309	$ 1,779,370	$ 395,083	$ 5,192,668

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Risk Management Fund	Employee Health Benefits Fund	Workers' Compensation Fund	Fleet Maintenance Fund	Total
OPERATING REVENUES					
Charges for services	$ 1,570,600	$ 24,221,269	$ 900,000	$ 707,704	$ 27,399,573
Insurance recoveries	185,846	-	59,210	-	245,056
Other operating income	-	-	-	1,196	1,196
Total operating revenues	1,756,446	24,221,269	959,210	708,900	27,645,825
OPERATING EXPENSES					
Salaries and benefits	201,459	-	72,172	1,070,191	1,343,822
Supplies and maintenance	-	-	-	220,535	220,535
Claims	1,551,405	20,630,989	1,157,974	-	23,340,368
Insurance premiums	32,174	2,222,616	-	-	2,254,790
General and administrative	33,282	982,519	-	-	1,015,801
Depreciation expense	33,278	-	-	52,586	85,864
Total operating expenses	1,851,598	23,836,124	1,230,146	1,343,312	28,261,180
Operating income (loss)	(95,152)	385,145	(270,936)	(634,412)	(615,355)
NONOPERATING REVENUES					
Investment earnings	31,859	-	23,801	-	55,660
Total nonoperating revenues	31,859	-	23,801	-	55,660
INCOME (LOSS) BEFORE TRANSFERS	(63,293)	385,145	(247,135)	(634,412)	(559,695)
Transfers in	-	-	-	570,891	570,891
Transfers out	(61,275)	-	-	-	(61,275)
Total interfund transfers	(61,275)	-	-	570,891	509,616
Change in net position	(124,568)	385,145	(247,135)	(63,521)	(50,079)
NET POSITION, beginning of year	2,030,474	727,164	2,026,505	458,604	5,242,747
NET POSITION, end of year	$ 1,905,906	$ 1,112,309	$ 1,779,370	$ 395,083	$ 5,192,668

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Risk Management Fund	Employee Health Benefits Fund	Workers Compensation Fund	Fleet Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 1,684,092	$ 24,221,269	$ 959,210	$ 708,900	$ 27,573,471
Payments to suppliers and service providers	(1,452,216)	(24,921,246)	(1,385,685)	(224,768)	(27,983,915)
Payments to employees	(194,337)	-	-	(1,055,508)	(1,249,845)
Net cash provided (used) by operating activities	37,539	(699,977)	(426,475)	(571,376)	(1,660,289)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment maturities	-	-	321,391	-	321,391
Interest received	31,859	-	18,759	-	50,618
Net cash provided by investing activities	31,859	-	340,150	-	372,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(137,160)	-	-	-	(137,160)
Net cash used by capital and related activities	(137,160)	-	-	-	(137,160)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	-	-	-	570,891	570,891
Transfers out to other funds	(61,275)	-	-	-	(61,275)
Net cash provided (used) by non-capital financing activities	(61,275)	-	-	570,891	509,616
Net decrease in cash and cash equivalents	(129,037)	(699,977)	(86,325)	(485)	(915,824)
Cash and cash equivalents:					
Beginning of year	2,330,431	4,294,965	981,251	485	7,607,132
End of year	$ 2,201,394	$ 3,594,988	$ 894,926	$ -	$ 6,691,308
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ (95,152)	$ 385,145	$ (270,936)	$ (634,412)	$ (615,355)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	33,278	-	-	52,586	85,864
Increase in accounts receivable	(72,354)	(412,280)	-	-	(484,634)
Increase in inventory	-	-	-	(6,709)	(6,709)
Increase in prepaid items	(20,713)	-	-	-	(20,713)
Increase (decrease) in accounts payable	15,358	156,470	(15,539)	2,476	158,765
Increase in compensated absences	7,122	-	-	14,683	21,805
Increase (decrease) in claims payable	170,000	(829,312)	(140,000)	-	(799,312)
Net cash provided (used) by operating activities	$ 37,539	$ (699,977)	$ (426,475)	$ (571,376)	$ (1,660,289)

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Tax Commissioner - to account for the collection of all property taxes which are disbursed to other taxing units.

Sheriff - to account for collection of cash bonds, fines, forfeitures and other fees which are disbursed to other parties.

The following agency funds are used to account for fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
Probate Court
Magistrate Court
Juvenile Court

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2017

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Total
Cash	$ 3,849,963	$ 379,032	$ 4,565,988	$ 14,350	$ 132,747	$ 12,250	$ 8,954,330
Other receivables	1,435	-	-	-	-	-	1,435
Taxes receivable	9,399,135	-	-	-	-	-	9,399,135
Total assets	$ 13,250,533	$ 379,032	$ 4,565,988	$ 14,350	$ 132,747	$ 12,250	$ 18,354,900
LIABILITIES							
Due to others	$ 3,851,398	$ 379,032	$ 4,565,988	$ 14,350	$ 132,747	$ 12,250	$ 8,955,765
Uncollected taxes	9,399,135	-	-	-	-	-	9,399,135
Total liabilities	$ 13,250,533	$ 379,032	$ 4,565,988	$ 14,350	$ 132,747	$ 12,250	$ 18,354,900

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
Tax Commissioner				
ASSETS				
Cash	$ 4,803,038	$ 358,051,567	$ (359,004,642)	$ 3,849,963
Other receivables	73	1,435	(73)	1,435
Taxes receivable	8,178,043	203,898,152	(202,677,060)	9,399,135
Total assets	$ 12,981,154	$ 561,951,154	$ (561,681,775)	$ 13,250,533
LIABILITIES				
Due to others	$ 4,803,111	$ 358,053,002	$ (359,004,715)	$ 3,851,398
Uncollected taxes	8,178,043	203,898,152	(202,677,060)	9,399,135
Total liabilities	$ 12,981,154	$ 561,951,154	$ (561,681,775)	$ 13,250,533
Sheriff				
ASSETS				
Cash	$ 237,335	$ 3,151,260	$ (3,009,563)	$ 379,032
Total assets	$ 237,335	$ 3,151,260	$ (3,009,563)	$ 379,032
LIABILITIES				
Due to others	$ 237,335	$ 3,151,260	$ (3,009,563)	$ 379,032
Total liabilities	$ 237,335	$ 3,151,260	$ (3,009,563)	$ 379,032
Clerk of Superior Court				
ASSETS				
Cash	$ 3,555,170	$ 21,107,732	$ (20,096,914)	$ 4,565,988
Total assets	$ 3,555,170	$ 21,107,732	$ (20,096,914)	$ 4,565,988
LIABILITIES				
Due to others	$ 3,555,170	$ 21,107,732	$ (20,096,914)	$ 4,565,988
Total liabilities	$ 3,555,170	$ 21,107,732	$ (20,096,914)	$ 4,565,988

(Continued)

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
Probate Court				
ASSETS				
Cash	$ 18,574	$ 858,250	$ (862,474)	$ 14,350
Total assets	$ 18,574	$ 858,250	$ (862,474)	$ 14,350
LIABILITIES				
Due to others	$ 18,574	$ 858,250	$ (862,474)	$ 14,350
Total liabilities	$ 18,574	$ 858,250	$ (862,474)	$ 14,350
Magistrate Court				
ASSETS				
Cash	$ 39,532	$ 1,191,121	$ (1,097,906)	$ 132,747
Total assets	$ 39,532	$ 1,191,121	$ (1,097,906)	$ 132,747
LIABILITIES				
Due to others	$ 39,532	$ 1,191,121	$ (1,097,906)	$ 132,747
Total liabilities	$ 39,532	$ 1,191,121	$ (1,097,906)	$ 132,747
Juvenile Court				
ASSETS				
Cash	$ 847	$ 41,587	$ (30,184)	$ 12,250
Total assets	$ 847	$ 41,587	$ (30,184)	$ 12,250
LIABILITIES				
Due to others	$ 847	$ 41,587	$ (30,184)	$ 12,250
Total liabilities	$ 847	$ 41,587	$ (30,184)	$ 12,250
Total Agency Funds				
ASSETS				
Cash	$ 8,654,496	$ 384,401,517	$ (384,101,683)	$ 8,954,330
Other receivables	73	1,435	(73)	1,435
Taxes receivable	8,178,043	203,898,152	(202,677,060)	9,399,135
Total assets	$ 16,832,612	$ 588,301,104	$ (586,778,816)	$ 18,354,900
LIABILITIES				
Due to others	$ 8,654,569	$ 384,402,952	$ (384,101,756)	$ 8,955,765
Uncollected taxes	8,178,043	203,898,152	(202,677,060)	9,399,135
Total liabilities	$ 16,832,612	$ 588,301,104	$ (586,778,816)	$ 18,354,900

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - PUBLIC FACILITIES AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	
Intergovernmental:	
Payment from Forsyth County Board of Education	$ 2,337,656
Total revenues	2,337,656
EXPENDITURES	
Debt service:	
Principal	1,175,000
Interest	1,162,656
Total expenditures	2,337,656
Net change in fund balance	-
FUND BALANCE, beginning of year	-
FUND BALANCE, end of year	$ -

STATISTICAL SECTION

2017 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



STATISTICAL SECTION

This part of Forsyth County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Table

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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

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

STATISTICAL SECTION

Table

Demographic and Economic Information

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

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

Operating Information

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

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

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

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 699,078	$ 693,335	$ 697,529	$ 756,006	$ 754,041	$ 773,963	$ 824,767	$ 868,626	$ 961,421	$ 990,472
Restricted:										
Debt service	7,446	23,355	28,451	29,941	30,184	20,285	18,462	15,629	15,823	16,713
Capital projects	20,312	31,777	35,147	47,647	41,721	47,890	41,157	53,502	10,264	34,796
Impact fee programs	12,343	-	-	-	-	-	-	-	-	-
Public safety programs	1,851	-	-	6,796	8,240	8,503	8,783	8,594	8,484	10,675
Public works	-	-	-	-	-	1,937	3,021	-	-	-
Judicial programs	46	-	-	251	249	134	119	90	94	107
Jail construction	-	-	-	408	324	233	105	-	-	-
Grant projects	-	-	-	56	12	4	-	-	-	-
Unrestricted:	23,912	28,316	45,012	36,368	47,822	67,414	73,670	31,945	30,627	38,289
Total governmental activities net position	$ 764,988	$ 776,783	$ 806,139	$ 877,473	$ 882,593	$ 920,363	$ 970,084	$ 978,386	$ 1,026,713	$ 1,091,052
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 236,145	$ 275,887	$ 281,932	$ 289,344	$ 291,107	$ 291,107	$ 312,319	$ 329,049	$ 358,440	$ 421,277
Restricted	4,075	4,142	4,207	4,259	4,315	4,315	4,326	3,859	3,939	4,118
Unrestricted	45,253	35,317	41,135	43,590	52,846	52,846	53,336	75,501	91,475	70,928
Total business-type activities net position	$ 285,473	$ 315,346	$ 327,274	$ 337,193	$ 348,268	$ 348,268	$ 369,981	$ 408,409	$ 453,854	$ 496,323
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 935,223	$ 969,222	$ 979,461	$ 1,045,350	$ 1,045,148	$ 1,065,070	$ 1,137,086	$ 1,197,675	$ 1,319,861	$ 1,411,749
Restricted	46,073	59,274	67,805	89,358	85,045	83,301	75,973	81,675	38,604	66,409
Unrestricted	69,165	63,633	86,147	79,958	100,668	120,260	127,006	107,445	122,112	109,217
Total primary government net position	$ 1,050,460	$ 1,092,129	$ 1,133,413	$ 1,214,666	$ 1,230,861	$ 1,268,631	$ 1,340,065	$ 1,386,795	$ 1,480,577	$ 1,587,375

From: Statement of Net Position

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES										
Governmental activities:										
General Government	$ 29,262	$ 17,246 (1)	$ 14,181	$ 12,658	$ 13,558	$ 20,445	$ 27,209	$ 27,515	$ 27,992	$ 34,715
Judicial	11,679	11,618	11,271	11,276	12,536	11,888	13,360	14,053	14,827	15,272
Public Safety	62,991	61,072	57,674	59,341	63,465	58,783	62,404	67,785	75,028	77,125
Public Works	16,198	15,913	15,791	15,133	21,510	25,269	19,105	58,197	30,155	26,346
Health and Welfare	3,059	2,483	2,529	3,108	3,131	2,686	2,767	2,756	3,128	3,011
Culture and Recreation	13,568	15,689	13,524	12,877	15,332	14,243	16,743	16,725	17,268	19,255
Housing and Development	7,168	5,717	4,460	4,197	4,466	7,305	4,643	5,190	5,977	6,524
Interest and paying agent fees	2,043	6,400 (2)	6,360	6,207	5,860	5,353	5,723	8,136	6,792	5,781
Total governmental activities expenses	145,968	136,138	125,790	124,797	139,858	145,972	151,954	200,357	181,167	188,029
Business-type activities:										
Water and sewer	38,322	32,521	32,283	31,457	34,220	39,159	43,383	40,898	44,664	47,267
Solid waste	985	599	671	789	705	672	792	875	995	888
Total business-type activities expenses	39,307	33,120	32,954	32,246	34,925	39,831	44,175	41,773	45,659	48,155
Total primary government expenses	$ 185,275	$ 169,258	$ 158,744	$ 157,043	$ 174,783	$ 185,803	$ 196,129	$ 242,130	$ 226,826	$ 236,184
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	$ 11,699	$ 6,472	$ 5,896	$ 6,232	$ 6,027	$ 6,000	$ 5,947	$ 7,030	$ 8,903	$ 11,947
Judicial	4,184	4,553	4,367	4,487	4,566	4,719	4,657	5,133	5,127	5,128
Public Safety	6,280	5,194	5,221	4,868	4,699	4,787	5,286	4,766	4,967	5,107
Public Works	181	1,132	1,938	2,101	4,167	4,873	4,768	5,420	6,375	10,618
Health and Welfare	26	67	69	92	144	151	81	76	74	69
Culture and Recreation	1,816	1,868	1,849	1,895	2,266	2,543	2,644	2,639	2,668	2,829
Housing and Development	381	2,588	2,800	2,845	3,764	4,495	5,202	5,708	5,822	5,592
Total charges for services	24,567	21,874	22,140	22,520	25,633	27,568	28,585	30,772	33,936	41,290
Operating grants and contributions	1,784	3,084	1,347	1,283	1,343	1,658	3,736	2,694	2,190	1,442
Capital grants and contributions	43,006	3,967 (3)	6,200	35,503	5,365	12,055	18,186	23,119	19,743	26,121
Total governmental activities program revenues	69,357	28,925	29,687	59,306	32,341	41,281	50,507	56,585	55,869	68,853
Business-type activities:										
Charges for services:										
Water and sewer	20,150	28,408	30,156	32,179	32,521	33,649	34,773	39,582	45,704	40,741
Solid waste	929	1,492	1,227	1,803	1,461	1,919	2,027	2,081	2,319	2,431
Total charges for services	21,079	29,900	31,383	33,982	33,982	35,568	36,800	41,663	48,023	43,172
Operating grants and contributions	12	-	-	-	-	-	-	-	-	-
Capital grants and contributions	15,548	5,565	28,019	9,695	13,088	15,699	29,343	38,806	45,429	47,067
Total business-type activities program revenues	36,639	35,465	59,402	43,677	47,070	51,267	66,143	80,469	93,452	90,239
Total primary government program revenues	$ 105,996	$ 64,390	$ 89,089	$ 102,983	$ 79,411	$ 92,548	$ 116,650	$ 137,054	$ 149,321	$ 159,092

(continued)

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense)/revenue										
Governmental activities	$ (76,611)	$ (107,213)	$ (96,103)	$ (65,491)	$ (107,517)	$ (104,691)	$ (101,447)	$ (143,772)	$ (125,298)	$ (119,176)
Business-type activities	(2,668)	2,345	26,448	11,431	12,145	11,436	21,968	38,696	47,793	42,084
Total primary government net expense	$ (79,279)	$ (104,868)	$ (69,655)	$ (54,060)	$ (95,372)	$ (93,255)	$ (79,479)	$ (105,076)	$ (77,505)	$ (77,092)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property Taxes	$ 49,433	$ 63,209	$ 66,473	$ 70,006	$ 67,763	$ 65,424	$ 65,927	$ 70,365	$ 81,779	$ 86,347
Sales Taxes	54,334	46,539	50,635	54,243	57,422	57,337	62,001	64,061	66,721	69,718
Insurance premium taxes	4,683	4,616	4,489	7,114	7,600	7,899	8,336	8,926	9,499	10,173
Real estate and recording taxes	2,012	-	-	-	-	-	-	-	-	-
Other taxes (old)	2,971	-	-	-	-	-	-	-	-	-
Other taxes	4,983	-	2,898	3,154	3,489	9,854	12,990	13,774	13,028	13,719
Total taxes	113,433	114,364	124,495	134,517	136,274	140,514	149,254	157,126	171,027	179,957
Unrestricted grants and contributions	1,667	-	-	-	-	-	-	-	-	-
Investment earnings	2,684	1,069	1,149	980	749	668	775	787	1,091	1,828
Miscellaneous	-	2,673	520	1,327	784	673	673	723	786	970
Gain on sale of capital assets	103	-	-	-	-	108	-	-	-	-
Transfers	-	-	-	-	500	500	465	500	733	750
Total governmental activities	117,887	118,106	126,164	136,824	138,307	142,463	151,167	159,136	173,637	183,505
Business-type activities:										
Investment earnings	3,460	594	777	497	231	139	210	179	518	1,079
Miscellaneous	-	-	2	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	239	-	-	-	31	33
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	23
Transfers	-	-	-	-	(500)	(500)	(465)	(500)	(733)	(750)
Total business-type activities	3,460	594	779	497	(30)	(361)	(255)	(321)	(184)	385
Total primary government	$ 121,347	$ 118,700	$ 126,943	$ 137,321	$ 138,277	$ 142,102	$ 150,912	$ 158,815	$ 173,453	$ 183,890
CHANGE IN NET POSITION										
Governmental activities	$ 41,276	$ 10,893 (3)	$ 30,061	$ 71,333	$ 30,790	$ 37,772	$ 49,720	$ 15,364	$ 48,339	$ 64,329
Business-type activities	792	2,939	27,227	11,928	12,115	11,075	21,713	38,375	47,609	42,469
Total primary government	$ 42,068	$ 13,831	$ 57,288	$ 83,261	$ 42,905	$ 48,847	$ 71,433	$ 53,739	$ 95,948	$ 106,798

(1) In prior year's the County has reported depreciation expense as general governmental costs; in 2009 depreciation was allocated amongst the functions.
(2) 2009 was the first year of interest payments on the new 2008 series bonds.
(3) Due to the current economy, the County received significantly less in donated assets for 2009. Donations were down over $35 million from 2008.

From: Statement of Activities

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011 (3)	2012	2013	2014	2015	2016	2017
General fund										
Reserved	$ 173	$ 14,736 (1)	$ 22,925	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	27,026	- (1)	4,548	-	-	-	-	-	-	-
Nonspendable:										
Prepaids	-	-	-	5	161	178	55	42	180	231
Inventory	-	-	-	275	374	378	331	405	417	610
Long term advances	-	-	-	-	-	3,531	3,531	6,871	-	-
Restricted:										
Grant projects	-	-	-	48	12	4	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	60	-
Committed:										
Tree replacement	-	-	-	23	18	51	63	38	95	119
Paving expenditures	-	-	-	222	526	561	-	-	-	-
Assigned:										
Use of fund balance in subsequent budget	-	-	-	1,046	54	75	77	236	308	388
Use of fund balance for City road improvements	-	-	-	-	3,500	-	-	-	-	-
Professional services	-	-	-	42	136	213	129	510	76	219
Capital projects	-	-	-	747	444	712	229	1,262	179	69
Supplies and materials	-	-	-	5	19	139	342	243	7	138
Health insurance administration	-	-	-	-	69	50	-	-	-	-
Unassigned	-	-	-	35,483	38,980	41,512	46,694	43,451	52,865	51,629
Total general fund	27,199	14,736	27,473	37,896	44,293	47,404	51,451	53,058	54,187	53,402

Continued

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
All other governmental funds										
Reserved	$ 127,499	$ 106,055 (2)	$ 97,532	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, designated	-	8,300	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,883	1,935	4,988	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	(7,123)	417	184	-	-	-	-	-	-	-
Nonspendable:										
Prepaids	-	-	-	-	6	6	-	-	70	99
Inventory	-	-	-	387	369	380	362	383	323	358
Long-term advances	-	-	-	97	48	-	-	-	-	480
Restricted:										
Judicial services	-	-	-	251	249	134	119	90	94	107
Public safety services	-	-	-	6,796	8,103	8,372	8,647	8,101	8,001	10,084
Public works	-	-	-	-	-	1,937	3,021	-	-	-
Grant projects	-	-	-	8	-	-	-	-	-	-
Capital projects	-	-	-	59,971	60,247	77,029	68,521	125,364	85,584	91,814
Jail construction and equipping	-	-	-	408	324	233	104	-	-	-
Debt service	-	-	-	29,941	30,118	20,232	18,403	15,569	15,735	16,616
Assigned for capital projects	-	-	-	-	209	20,307	22,113	23,469	23,351	29,474
Unassigned	-	-	-	-	1,923	(276)	(2,433)	(230)	(1,331)	(386)
Total all other governmental funds	122,259	116,707	102,704	97,859	101,596	128,354	118,857	172,746	131,827	148,646
Total all funds	$ 149,458	$ 131,443	$ 130,177	$ 135,755	$ 145,889	$ 175,758	$ 170,308	$ 225,804	$ 186,014	$ 202,049

(1) The County's policy is to establish a operating reserve equal to 25% of the next fiscal year's budget. This amount was not reported prior to 2009.

(2) The County issued $118 million of bonds in 2008 which continue to be expended thus lowering the reserves.

(3) The County implemented GASB Statement No. 54 for the year ending December 31, 2011.

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes (see table 5)	$ 112,641	$ 116,381	$ 124,817	$ 134,633	$ 136,607	$ 140,547	$ 149,249	$ 157,188	$ 170,877	$ 179,885
Licenses and permits	6,818	3,784	4,074	4,365	5,280	5,856	6,286	6,855	6,990	6,867
Intergovernmental	7,495	5,248	2,882	4,231	3,326	9,083	3,672	9,817	5,359	5,284
Fines and forfeitures	4,719	4,089	3,930	3,329	3,349	3,210	4,012	3,663	3,459	3,664
Charges for services	12,996	13,751	14,065	14,756	16,934	18,432	18,287	20,254	23,486	30,760
Contributions and donations	3,324	140	82	69	71	53	77	868	91	73
Investment earnings	2,459	1,377	1,192	1,004	778	713	824	824	1,110	1,895
Miscellaneous	484	2,743	1,074	1,527	854	743	704	723	986	970
Total revenues	150,935	147,513	152,116	163,914	167,199	178,637	183,111	200,192	212,358	229,398
EXPENDITURES										
General government	13,396	15,216	10,742	11,075	11,294	19,834	20,418	23,754	23,242	27,410.18
Judicial	10,539	11,107	10,942	11,599	12,288	11,685	12,416	13,104	13,580	14,092
Public safety	54,340	56,003	54,706	59,103	59,578	56,524	59,537	65,260	69,413	68,228
Public works	6,610	6,616	5,473	5,989	12,374	14,571	8,999	15,486	17,655	14,404
Public health and welfare	2,678	2,410	2,499	3,051	3,094	2,694	2,653	2,613	2,999	3,005
Recreation and culture	12,022	12,095	11,563	12,245	14,152	15,289	14,262	13,879	14,067	15,637
Housing and development	6,311	5,478	4,356	4,324	4,691	7,357	4,717	5,153	5,784	6,348
Intergovernmental	13,889	-	1,165	1,250	1,322	647	183	35,262	2,532	4,813
Capital Outlay	56,110	54,731	34,578	32,290	23,014	29,400	85,051	44,200	73,188	41,326
Principal on long-term debt	1,343	1,405	10,070	10,870	11,750	12,655	4,801	32,442	28,748	9,663
Interest and paying agent fees	1,518	5,670	7,198	6,736	6,480	5,231	5,594	6,407	9,046	8,923
Bond issuance costs	834	-	-	-	-	-	-	811	-	439
Total expenditures	179,590	170,731	153,292	158,532	160,037	175,887	218,631	258,371	260,254	214,289
Excess of revenues over (under) expenditures	(28,655)	(23,218)	(1,176)	5,382	7,162	2,750	(35,520)	(58,179)	(47,896)	15,109

(continued)

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
OTHER FINANCING SOURCES (USES)										
Sale of County Property	290	89	32	196	28	276	6	250	2	238
Transfers in	6,017	12,023	20,668	11,008	20,361	14,747	15,598	44,274	36,116	19,239
Transfers out	(5,691)	(12,023)	(20,668)	(11,008)	(17,695)	(11,628)	(15,133)	(44,064)	(35,883)	(18,999)
Capital leases	-	-	-	-	-	-	-	-	7,870	-
Proceeds from bond refunding	-	-	-	-	20,960	21,231	29,599	60,315	-	76,830
Proceeds from general obligation bond	118,000	-	-	-	-	-	-	96,165	-	-
Premium on bonds issued	3,330	-	-	-	-	2,493	-	30,645	-	7,317
Payments to refunded bond escrow agent	-	-	-	-	(20,682)	-	-	(73,908)	-	(83,698)
Total other financing sources (uses)	121,946	89	32	196	2,972	27,119	30,070	113,677	8,105	926
Net change in fund balances	$ 93,291	$ (23,129)	$ (1,144)	$ 5,578	$ 10,134	$ 29,869	$ (5,450)	$ 55,498	$ (39,791)	$ 16,035
Debt service as a percentage of noncapital expenditures	3.0%	6.1%	14.6%	14.3%	13.6%	12.7%	8.0%	19.3%	20.6%	11.2%

FORSYTH COUNTY, GEORGIA

TABLE 5
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Taxes	Sales Taxes	Title Ad Valorem Tax	Insurance Premium Tax	Other Taxes	Total
2008	$ 48,640	$ 54,334	$ -	$ 4,683	$ 4,984	$ 112,641
2009	62,416	46,539	-	4,616	2,810	116,381
2010	66,578	50,840	-	4,489	2,910	124,817
2011	70,122	54,243	-	7,114	3,154	134,633
2012	68,095	57,422	-	7,600	3,490	136,607
2013	65,457	57,337	5,888	7,899	3,966	140,547
2014	65,922	62,001	8,539	8,336	4,451	149,249
2015	70,425	64,061	8,948	8,926	4,826	157,186
2016	81,628	66,721	7,994	9,499	5,035	170,877
2017	86,274	69,718	8,696	10,173	5,024	179,885

Note: Other taxes include real estate & recording taxes, franchise taxes, alcoholic beverage taxes and hotel/motel taxes.
Sales taxes experienced a decrease during 2008 and 2009 due to the economic downturn.
Title Ad Valorem Tax was created in 2013 and was the first year of collection of this tax type.

FORSYTH COUNTY, GEORGIA

TABLE 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(amounts expressed in thousands)

		Real Property				Personal Property				Less Exemptions:					
Fiscal Year	Tax Year	Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Inventory & Equipment (4)	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
2009	2008	$ 7,150,559	$ 305,717	$ 1,378,266	$ 100,903	$ 704,613	$ 565,961	$ 14,103	$ 59,863	$ 1,208,009	$ 181,577	$ 8,890,399	6.795	$ 22,225,998	40.00%
2010	2009	7,176,280	308,467	1,399,588	111,511	685,241	596,888	14,421	50,769	537,513	858,505	8,947,147	6.871	22,367,867	40.00%
2011	2010	6,917,305	316,334	1,365,672	105,671	604,430	525,338	13,757	50,422	503,377	769,556	8,625,996	7.656	21,564,990	40.00%
2012	2011	6,399,292	249,215	1,285,511	106,646	595,639	540,457	13,905	48,625	513,193	508,463	8,217,634	7.656	20,544,085	40.00%
2013	2012	6,090,993	205,235	1,245,072	116,372	617,557	589,202	13,386	49,356	520,316	371,355	8,035,502	7.656	20,088,755	40.00%
2014	2013	6,117,236	185,889	1,066,657	109,510	609,708	639,952	11,405	48,000	504,403	329,407	7,954,547	7.656	19,886,368	40.00%
2015	2014	6,652,676	184,275	1,079,629	105,818	616,552	564,744	11,172	52,100	521,557	378,956	8,366,453	7.656	20,916,133	40.00%
2016	2015	7,685,610	197,395	1,284,324	89,457	675,748	400,864	11,031	54,673	555,427	679,963	9,163,712	8.036	22,909,280	40.00%
2017	2016	8,350,070	202,673	1,318,592	86,704	686,910	298,089	10,736	54,696	561,201	770,313	9,676,956	8.036	24,192,390	40.00%
2018	2017	9,266,270	231,025	1,441,482	114,416	696,822	217,892	10,766	57,490	566,685	1,021,904	10,447,574	8.036	26,118,935	40.00%

Source: Georgia Department of Revenue and Forsyth County Tax Assessor's Department

(1) Includes conservation use and preferential property.

(2) Includes aircraft, boats, miscellaneous personal property, timber and heavy equipment.

(3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.

(4) Includes furniture and fixtures.

FORSYTH COUNTY, GEORGIA

TABLE 7
PROPERTY TAX RATES (DIRECT AND OVERLAPPING GOVERNMENTS)
Last Ten Fiscal Years
(Mills - rate per $1,000 of taxable assessed value)

		Forsyth County				School District			State	Total
Fiscal Year	Tax Year	Operating Millage	Fire Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Operating Millage	Direct & Overlapping Rates
2009	2008	3.834	1.765	1.196	6.795	15.395	1.418	16.813	0.250	23.858
2010	2009	3.834	1.841	1.196	6.871	15.395	1.418	16.813	0.250	23.934
2011	2010	4.734	1.975	0.947	7.656	15.395	1.418	16.813	0.250	24.719
2012	2011	4.812	1.975	0.869	7.656	16.300	2.418	18.718	0.250	26.624
2013	2012	4.812	1.975	0.869	7.656	16.300	2.418	18.718	0.200	26.574
2014	2013	4.812	1.975	0.869	7.656	16.300	2.418	18.718	0.150	26.524
2015	2014	4.812	1.975	0.869	7.656	16.300	2.418	18.718	0.100	26.474
2016	2015	4.642	1.975	1.419	8.036	17.300	2.418	19.718	0.050	27.804
2017	2016	4.642	1.975	1.419	8.036	17.300	2.418	19.718	0.050	27.804
2018	2017	4.642	1.975	1.419	8.036	17.300	2.418	19.718	0.000	27.754

Source: State Department of Revenue

Overlapping rates are those of local and county governments that apply to property owners within the County. Not all potential overlapping rates apply to all County property owners (e.g., the rates for special districts apply only proportion of the government's property owners whose property is located within the geographic boundaries of the special district.) Currently, there are no special districts in the county that levy a property tax.

FORSYTH COUNTY, GEORGIA

TABLE 8
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
December 31, 2017
(amounts expressed in thousands)

Taxpayer	Type of Business	2017 Taxable Assessed Value	2017 Rank	2017 Percentage of Total Taxable Assessed Value	2008 Taxable Assessed Value	2008 Rank	2008 Percentage of Total Taxable Assessed Value
Sawnee EMC	Electric Power Utility	$ 61,538	1	0.59%	$ 48,325	1	0.54%
Forsyth Owner 1 LP	Shopping Complex	40,000	2	0.38%			
United Parcel Service	Mail Delivery Service	32,544	3	0.31%	14,942	4	0.17%
Georgia Transmission Corp	Power Transfer Utility	28,358	4	0.27%	25,556	2	0.29%
DDR Winter Garden LLC	Real Estate Development	22,737	5	0.22%	-		0.00%
Lennar Georgia Inc.	Real Estate Development	21,401	6	0.20%	-		0.00%
Mar Windemere LP	Real Estate Development	17,834	7	0.17%	-		0.00%
Scientific Games, Inc.	Lottery Ticket Printing	15,327	8	0.15%	16,642	3	0.19%
Oxford Summit Partners LLC	Real Estate Development	14,757	9	0.14%	-		0.00%
Bellsouth Telecommunications	Telephone Utility	14,646	10	0.14%	12,898	5	0.15%
AT&T Mobility	Telephone Utility	-		0.00%	12,808	6	0.14%
Solvay Advanced Polymers, LLC	Plastic Manufacturer	-		0.00%	12,651	7	0.14%
Northside Hospital	Healthcare Facility	-		0.00%	11,372	8	0.13%
Hendon/Atlantic Rim John Creek, LLC	Real Estate	-		0.00%	11,281	9	0.13%
Vickery Land Co, LLC	Real Estate Development	-		0.00%	11,274	10	0.13%
Totals		$ 269,142		2.58%	$ 177,749		1.87%

Source: Forsyth County Tax Commissioner

FORSYTH COUNTY, GEORGIA

TABLE 9A
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Tax Year	Tax Due Date	Taxes Levied for the Tax Year (Original Levy)	Adjustments	Interest, Costs, & Penalties	Total Adjusted Levy	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
							Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy	
2009	2008	11/15/08	$ 60,011	$ 1,094	$ 1,405	$ 62,510	$ 54,665	91.09%	$ 7,712	$ 62,377	99.79%	$ 133
2010	2009	11/15/09	62,417	(534)	189	62,072	57,274	91.76%	4,026	61,300	98.76%	772
2011	2010	11/15/10	66,880	(717)	262	66,425	62,299	93.15%	3,769	66,068	99.46%	357
2012	2011	11/15/11	64,220	(560)	206	63,866	60,935	94.88%	2,694	63,629	99.63%	237
2013	2012	11/15/12	62,782	(580)	149	62,351	59,802	95.25%	2,363	62,165	99.70%	186
2014	2013	11/15/13	63,593	(559)	150	63,184	61,239	96.30%	1,783	63,022	99.74%	162
2015	2014	11/15/14	66,304	9	103	66,416	64,430	97.17%	1,726	66,156	99.61%	260
2016	2015	11/15/15	77,541	(764)	111	76,888	74,248	95.75%	2,355	76,603	99.63%	285
2017	2016	11/15/16	82,227	(427)	52	81,852	78,873	95.92%	-	78,873	96.36%	2,979
2018	2017	11/15/17	88,981	(611)	20	88,390	86,403	97.10%	-	86,403	97.75%	1,987

Source: Forsyth County Tax Commissioner's Office

Note:
Taxes levied during the calendar year 2017 are recorded as revenues in the financial statements in 2018 since they are levied to finance that year's expenditures.
Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.

FORSYTH COUNTY, GEORGIA

TABLE 9B
TOP 10 WATER CUSTOMERS
December 31, 2017

Customer Name	Business	Gallons Metered	Total Water Billed	% of Total Billings
Forsyth County Schools	School System	49,081,560	$ 292,743	1.21%
Truby Inc	Private Water System	27,899,490	106,503	0.44%
A and A Water Company LLC	Private Water System	17,730,000	70,521	0.29%
Forsyth County Parks and Recreation	Government	15,627,300	108,728	0.45%
Pine Ridge Assoc LLC	Prive	15,176,830	58,138	0.24%
Mar Windermere LP	Apartments	13,945,050	78,771	0.33%
Forsyth Owner 1 LP	Commercial Developer	13,754,350	54,257	0.22%
TS Big Creek LLC	Apartments	12,904,700	51,156	0.21%
Summit Cross Apartments	Apartments	11,948,100	47,598	0.20%
Scientific Games	Manufacturing	10,566,300	61,764	0.26%
All other customers			23,212,098	96.15%
Total Billing			$ 24,142,277	

FORSYTH COUNTY, GEORGIA

TABLE 9C
TOP 10 SEWER CUSTOMERS
December 31, 2017

Customer Name	Business	Gallons Metered	Total Sewer Billed	% of Total Billings
Forsyth County Schools	School System	41,925,120	$ 216,878	1.43%
Forsyth Owner 1 LP	Commercial Developeer	13,605,070	66,329	0.44%
TS Big Creek LLC	Apartments	12,904,700	62,939	0.42%
Summit Crossing Apartments	Apartments	11,948,100	58,309	0.38%
Mar Windermere LP	Apartments	11,435,110	56,066	0.37%
BR Big Creek LeaseCo LLC	Apartments	9,805,700	47,940	0.32%
CalAtlantic Group	Commercial Developeer	8,649,380	60,473	0.40%
Scientific Games	Manufacturing	8,557,000	41,896	0.28%
JLB Deerfield 1 LLC	Apartments	8,373,600	41,008	0.27%
D R Horton	Commercial Developeer	8,184,120	60,832	0.40%
All other customers			14,446,963	95.30%
Total Billing			$ 15,159,633	

FORSYTH COUNTY, GEORGIA

TABLE 9D
WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2017

METER SIZE (1)	TAP FEE EXISTING LINES	MINIMUM MONTHLY CHARGES
5/8	$ 1,600	$ 12
3/4	1,800	12
1	3,300	15
1 1/2	7,500	20
2	10,000	30
3	18,900	90
4	29,400	125
6	68,200	250
8	101,900	450

AVERAGE MONTHLY BILLING FOR A RESIDENTIAL CUSTOMER USING 9000 GALLONS OF WATER ON A 3/4 " DOMESTIC METER PER MONTH

WATER	$	42.62
SEWER	$	53.56
TOTAL	$	96.18

Source: The Water Rate Resolution adopted Janurary 2009.
(1) Meter sizes are in inches.

FORSYTH COUNTY, GEORGIA

TABLE 10
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Capital Leases (2)	Total	Revenue Bonds (2)	Notes Payable	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2008	$ 148,685	$ 7,777	$ 156,462	$ 166,660	$ -	$ 166,660	$ 323,122	4.80%	$ 2,018
2009	147,280	7,777	155,057	163,495	-	163,495	318,552	4.92%	1,825
2010	137,210	7,777	144,987	160,200	-	160,200	305,187	4.46%	1,705
2011	126,340	7,777	134,117	156,285	3,826	160,111	294,228	3.91%	1,618
2012	116,395	8,004	124,399	149,855	6,656	156,511	280,910	3.56%	1,495
2013	128,277	7,969	136,246	156,008	6,697	162,705	298,951	3.61%	1,530
2014	152,756	7,934	160,690	151,137	6,826	157,963	318,653	3.66%	1,560
2015	241,561	7,897	249,458	207,833	6,699	214,532	463,990	5.30%	2,184
2016	209,672	15,729	225,401	201,160	6,434	207,594	432,995	4.94%	1,959
2017	201,678	13,121	214,799	194,371	6,368	200,739	415,538	4.52%	1,823

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(2) Includes Certificates of Participation.

FORSYTH COUNTY, GEORGIA

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

	Governmental Activities					Business-Type Activities					
Fiscal Year	Compensated Absences	OPEB (1) Obligation	Claims Payable	Net Pension Liability	Total	Compensated Absences	Landfill Closure / Postclosure	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2008	$ 5,306	$ 105	$ 2,175	$ -	$ 7,586	$ -	$ 2,700	$ 2,700	$ 10,286	0.15%	$ 64
2009	5,162	200	1,970	-	7,332	396	2,021	2,417	9,749	0.15%	56
2010	6,700	373	2,010	-	9,083	460	1,943	2,403	11,486	0.17%	64
2011	4,623	546	2,070	-	7,239	389	1,859	2,248	9,487	0.13%	52
2012	5,460	731	2,230	-	8,421	437	1,793	2,230	10,651	0.13%	57
2013	5,498	731	2,360	-	8,589	470	1,718	2,188	10,777	0.13%	55
2014	5,980	243	4,160	-	10,383	533	1,634	2,167	12,550	0.14%	61
2015	7,056	347	4,693	5,511	17,607	618	1,676	2,294	19,901	0.23%	94
2016	7,148	7	5,326	4,954	17,435	617	1,717	2,334	19,769	0.23%	89
2017	7,766	2,229	4,527	2,363	16,885	697	1,617	2,314	19,199	0.21%	84

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

FORSYTH COUNTY, GEORGIA

TABLE 11
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2008	$ 148,685	$ 8,046	$ 140,639	0.63%	$ 878
2009	147,280	23,355	123,925	0.55%	710
2010	137,210	28,308	108,902	0.50%	608
2011	126,340	29,941	96,399	0.47%	530
2012	116,395	30,118	86,277	0.43%	459
2013	128,277	20,232	108,045	0.54%	553
2014	152,756	18,403	134,353	0.64%	658
2015	241,561	15,569	225,992	0.99%	1,064
2016	209,672	15,735	193,937	0.80%	878
2017	201,678	16,616	185,062	0.71%	812

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

FORSYTH COUNTY, GEORGIA

TABLE 12
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of December 31, 2017
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping			
Forsyth County School District	$ 396,125	100.00%	$ 396,125
Forsyth County direct debt	214,799	100.00%	214,799
Total direct and overlapping debt	$ 610,924		$ 610,924

Assessed value data used to estimate applicable percentages provided by the State Department of Revenue.

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

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

FORSYTH COUNTY, GEORGIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed value of property	$ 10,279,985	$ 10,343,165	$ 9,898,929	$ 9,239,290	$ 8,927,173	$ 8,788,357	$ 9,266,966	$ 10,840,629	$ 11,008,470	$ 12,036,163
Debt limit (10% of total assessed value)	1,027,999	1,034,317	989,893	923,929	892,717	878,836	926,697	1,084,063	1,100,847	1,203,616
Amount of Debt applicable to limit:										
General obligation bonds	148,685	147,280	137,210	126,340	116,395	128,277	152,756	241,561	181,000	180,070
Less: Resources restricted to paying principal	(8,406)	(23,355)	(28,308)	(29,941)	(30,118)	(20,232)	(18,403)	(15,569)	(15,735)	(16,616)
Total net debt applicable to limit	140,279	123,925	108,902	96,399	86,277	108,045	134,353	225,992	165,265	163,454
Legal debt margin	$ 887,720	$ 910,392	$ 880,991	$ 827,530	$ 806,440	$ 770,791	$ 792,344	$ 858,071	$ 935,582	$ 1,040,162
Total net debt applicable to the limit as a percentage of debt limit	13.65%	11.98%	11.00%	10.43%	9.66%	12.29%	14.50%	20.85%	15.01%	13.58%

FORSYTH COUNTY, GEORGIA

TABLE 14
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Income (loss) of the System (1)	$ 12,883,071	$ (3,456,906)	$ (1,436,341)	$ 1,012,254	$ (1,337,660)	$ (5,425,799)	$ (8,361,641)	$ (1,076,752)	$ 1,627,371	$ (5,440,848)
Plus:										
Interest on debt	5,930,950	4,715,100	4,051,666	4,093,307	4,173,406	5,583,710	5,448,408	5,750,271	5,072,477	4,048,005
Depreciation and amortization	9,218,221	7,409,981	8,561,985	8,511,777	9,618,850	10,999,962	10,962,318	11,111,499	11,561,154	14,025,321
	28,032,242	8,668,175	11,177,310	13,617,338	12,454,596	11,157,873	8,049,085	15,785,018	18,261,002	12,632,478
Connection fees accounted for as capital contributions (2)	6,407,164	2,342,155	3,643,620	4,232,584	8,096,947	10,032,721	13,415,495	15,393,622	15,312,240	14,810,270
Cash flow available for debt service	34,439,406	11,010,330	14,820,930	17,849,922	20,551,543	21,190,594	21,464,580	31,178,640	33,573,242	27,442,748
Annual debt service requirements	10,122,422	9,823,298	9,573,142	9,558,043	9,326,312	9,376,888	9,228,926	9,128,188	12,237,077	12,819,339
Debt service coverage ratio	3.40	1.12	1.55	1.87	2.20	2.26	2.33	3.42	2.74	2.14

(1) Represents the income (loss) of the Water and Sewerage Authority before capital contributions and transfers.
(2) Represents the cash portion of capital contributions.

Source: Applicable year's comprehensive annual financial report.

FORSYTH COUNTY, GEORGIA

TABLE 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income	Median Age	Education Level as a Percent of Population 25 yrs & over		School Enrollment	Unemployment Rate
					High School or Higher	Bachelor's Degree or Higher		
2008	160,098	$ 6,731,158	$ 42,044	34	90.5%	43.7%	30,763	4.80%
2009	174,520	6,477,283	37,115	n/a	n/a	n/a	32,495	7.90%
2010	179,003	6,847,034	38,251	34	90.6%	43.6%	34,362	8.20%
2011	181,840	7,519,814	41,354	n/a	90.6%	42.8%	35,945	7.30%
2012	187,928	7,895,805	42,015	n/a	n/a	n/a	39,190	6.50%
2013	195,405	8,290,595	42,428	37	91.1%	43.3%	40,691	5.30%
2014	204,302	8,705,125	42,609	37	91.4%	43.8%	42,435	5.30%
2015	212,438	8,758,500	41,228	37	91.6%	44.6%	44,286	4.40%
2016	221,009	8,760,500	39,639	38	92.0%	45.6%	46,238	4.50%
2017	227,967	9,184,200	40,287	38	94.4%	48.3%	47,732	3.40%

Data sources:

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

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

(1) Personal income statistics provided by BEA.

FORSYTH COUNTY, GEORGIA

TABLE 16
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2017			2008		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Forsyth County Schools	5,141	1	4.74%	4,307	1	5.52%
Northside Hospital - Forsyth	2,400	2	2.21%	1,263	3	1.62%
Forsyth County Government	1,418	3	1.31%	1,437	2	1.84%
Koch Foods	1,400	4	1.29%			
Scientific Games International, Inc.	1,100	5	1.01%	1200	4	1.54%
Tyson Foods, Inc.	1,100	6	1.01%	1,185	5	1.52%
Wal-Mart Supercenter	824	7	0.76%			
Siemens Industry, Inc.	700	8	0.65%	800	6	1.03%
Kroger	508	9	0.47%			
L3 Communications	400	10	0.37%	325	9	0.42%
American Proteins		.		700	7	0.90%
Hansgrohe				403	8	0.52%
American Boa				259	10	0.33%
All other employers	93,463		86.18%	66,089		84.76%
Total	108,454		100.00%	77,968		100.00%

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

FORSYTH COUNTY, GEORGIA

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

	Full-time Equivalent Employees as of December 31									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
General Government (1)	202	173	168	170	172	171	187	195	200	215
Judicial	106	108	108	119	124	116	110	115	125	138
Public Health and Welfare	25	23	25	27	28	29	29	22	35	47
Public Safety										
Police	435	424	366	367	373	331	328	358	395	436
Officers	381	367	289	285	295	273	268	302	332	398
Civilians	54	57	77	82	78	58	60	56	63	38
Fire	162	149	148	148	145	151	172	166	192	196
Firefighters and officers	153	140	140	140	138	145	166	160	184	187
Civilians	9	9	8	8	7	6	6	6	8	9
E-911 and Coroners Office	42	41	38	37	38	38	41	39	40	48
Public Works	87	80	77	77	79	78	76	77	80	84
Recreation and Culture	64	60	59	60	64	63	65	67	71	74
Housing and Development	65	38	34	35	37	39	47	42	51	61
Solid Waste	9	9	9	9	9	7	6	8	9	9
Water & Sewer	83	74	73	71	74	74	78	78	99	110
Total	1,280	1,179	1,105	1,120	1,143	1,097	1,139	1,167	1,297	1,418

Source: Forsyth County's Personnel Services Department

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

(1) Includes Internal Service departments that fall under the general government category.

FORSYTH COUNTY, GEORGIA

TABLE 18
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sheriff										
Physical arrests	6,251	6,163	5,337	5,032	4,523	4,528	4,920	(3)	6,727	5,678
Traffic violations	36,412	37,305	39,791	30,024	17,140 (1)	11,357 (1)	12,985	(3)	(3)	18,720
Fire										
Number of calls answered	11,075	10,934	11,530	11,566	12,361	12,738	12,799	13,283	13,873	14,993
Inspections	3,948	2,707	3,556	3,897	3,056	2,280	3,422	5,918	7,608	6,422
Highways and streets										
Street resurfacing (miles)	64	69	80	60	73	46	49	57	65	63
Potholes repaired	420	503	502	305 (2)	322	397	558	235	389	525
Sanitation										
Refuse collected (tons/day)	6	6	6	6	6	6	5	6	6	7
Recyclables collected (tons/day)	6	6	5	6	6	6	5	8	5	6
Water										
New connections	630	591	894	1,043	1,603	2,064	2,120	2,566	2,282	2,143
Water mains breaks	66	54	52	72	61	48	60	60	91	86
Average daily consumption (thousands of gallons)	9,197	9,998	11,650	12,160	11,900	10,750	11,998	12,830	15,210	14,241
Wastewater										
Average daily sewage treatment (thousands of gallons)	3,982	3,805	4,124	3,900	3,700	2,740	2,553	2,894	3,222	3,372

Sources: Various county departments including Fire, Sheriff's Office, Engineering, Water and Sewer, and Solid Waste.

(1) Based on discussions with management the traffic citations decreased at the direction of the Sheriff.

(2) The County experienced signficant repairs and improvements in 2009 and 2010, which were unusually high.

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

FORSYTH COUNTY, GEORGIA

TABLE 19
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Sheriff:										
Precincts	2	2	2	2	2	2	2	2	2	2
Number of vehicles	292	318	317	338	338	324	316	374	391	345
Fire:										
Stations	15	13	13	13	13	12	12	12	12	13
Number of vehicles	66	66	67	63	65	66	90	94	95	95
Highways and streets										
Streets (miles)	1,143	1,145	1,095	1,099	1,109	1,114	1,128	1,157	1,169	1,165
Streetlights	-	-	-	-	22	22	33	66	66	72
Traffic signals	54	61	65	71	70	70	71	71	71	141
Culture and recreation										
Parks acreage	1,642	2,500	2,600	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Parks	16	17	18	18	23	23	23	23	25	25
Baseball/softball fields	47	48	52	52	52	52	52	52	52	52
Tennis courts	24	24	36	36	36	36	36	36	36	36
Soccer/Football fields	17	17	23	24	24	24	24	24	28	32
Playgrounds	12	12	14	14	20	20	20	21	21	21
Community centers	6	6	6	6	5	5	5	5	5	5
Water										
Water mains (miles)	924	932	939	949	941	948	963	986	1,009	1,051
Fire hydrants	6,215	6,230	6,413	6,450	6,562	6,718	6,681	9,473	9,481	9,677
Sewer										
Sanitary sewers (miles)	475	481	483	509	478	497	509	538	562	601

Sources: Various county departments.

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

FORSYTH COUNTY, GEORGIA

TABLE 20
WATER SYSTEM STATISTICS
Last Ten Fiscal Years

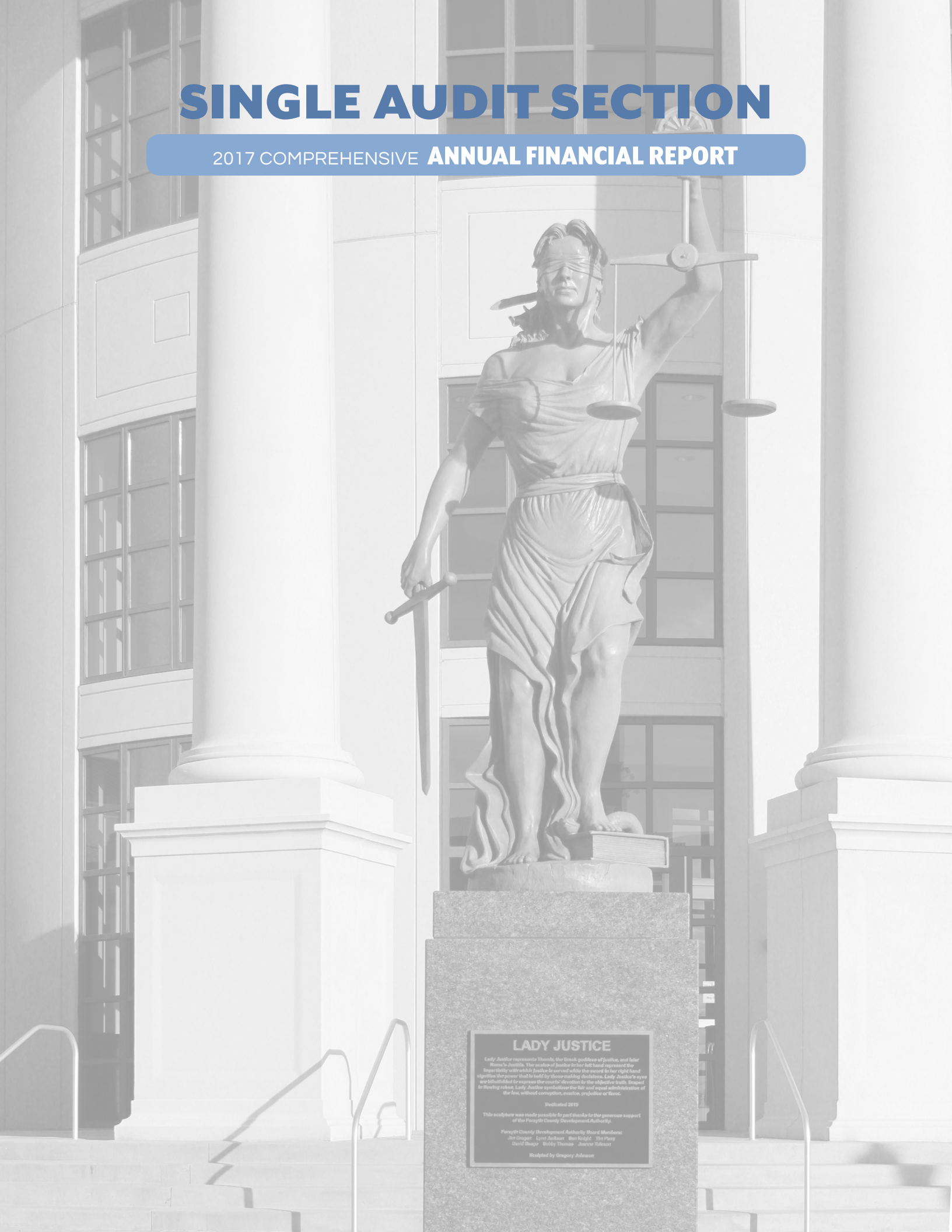
Fiscal Year	Average Daily Demand (1)	Maximum Daily Demand (1)	Water System Accounts (2)	Sewer System Accounts (2)
2008	9.92	29.54	43,286	15,234
2009	10.35	19.60	43,908	15,029
2010	11.70	19.20	44,631	16,974
2011	12.16	21.05	47,111	19,686
2012	11.90	22.05	48,745	21,076
2013	10.75	17.94	50,352	22,983
2014	12.00	17.24	52,309	24,830
2015	12.83	21.09	54,951	27,201
2016	15.21	24.17	57,419	29,136
2017	14.24	20.01	59,365	30,867

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

(2) Number at year end.

SINGLE AUDIT SECTION

2017 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



MAULDIN & JENKINS

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

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Forsyth County, Georgia (the "County") as of and for the year ended December 31, 2017, 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 20, 2018. Our report includes a reference to other auditors who audited the financial statements of the Forsyth County Health Department, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a material weakness.

Compliance and Other Matters

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

Forsyth County, Georgia's Response to Finding

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 20, 2018

MAULDIN & JENKINS

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

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

Report on Compliance for Each Major Federal Program

We have audited Forsyth County, Georgia's (the "County's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

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 a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.



Atlanta, Georgia
June 20, 2018

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-0858	$ 10,845
Passed through the Criminal Justice Coordinating Council:			
VOCA Victims Assistance Grant (Sheriff)	16.575	C15-8-271	59,830
VOCA Victims Assistance Grant (District Attorney)	16.575	C16-8-001	116,335
VOCA Victims Assistance Grant (Sheriff)	16.575	C16-8-191	16,085
VOCA Victims Assistance Grant (District Attorney)	16.575	C16-8-207	5,662
			197,912
Equitable Sharing Program	16.922	GA-0580000	40,970
Total U.S. Department of Justice			249,727
U.S.DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	T005833	102,165
Formula Grants for Other than Urbanized Areas	20.509	T006159	84,493
			186,658
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction Cluster	20.205	12639	664,168
Total U.S. Department of Transportation			850,826
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Legacy Link, Inc:			
Special Programs for the Aging: Title III, Part B	93.044	427-93-07070254-99	24,896
Special Programs for the Aging: Title III, Part C	93.045	427-93-07070254-99	173,689
Nutrition Services Incentive	93.053	427-93-07070254-99	27,061
Total Aging Cluster			225,646
Passed through the Legacy Link, Inc:			
Social Services Block Grant	93.667	427-93-07070254-99	22,829
Passed through Deanna, Inc:			
Congregate Meal Transportation - TANF Cluster	93.558	427-93-07070254-99	72,940
Total U.S. Department of Health and Human Services			321,415
U.S. DEPARTMENT OF DEFENSE			
Passed through the Office of the State Treasurer of Georgia:			
Payments in Lieu of Taxes - Flood Lands	12.112	2017	296,172
Total U.S. Department of Defense			296,172
U.S. DEPARTMENT OF THE INTERIOR			
Payments in Lieu of Taxes	15.226	2017	51,695
Total U.S. Department of the Interior			51,695
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Emergency Management Performance Grant	97.042	OEM15-060	26,326
Emergency Management Performance Grant	97.042	OEM16-060	17,612
			43,938
Total U.S. Department of Homeland Security			43,938
Total Expenditures of Federal Awards			$ 1,813,773

See accompanying notes to schedule of expenditures of federal awards.

FORSYTH COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the County to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

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

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

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
12.112	Payments in Lieu of Real Estate Taxes (Flood Control Lands)
20.205	Highway Planning and Construction Cluster

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

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-001 Revenues and Related Balance Sheet Accounts

Criteria: Internal controls should be in place to ensure the financial statements properly present the financial position and results of operations of the County in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient to timely detect material misstatements related to revenues and related accounts in the County's financial statements for the year ended December 31, 2017.

Context/Cause: During our testing, we noted the following issues related to revenues and related balance sheet accounts for the year ended December 31, 2017:

- During our testing of the investment balances in the County's Pension Trust Fund, an audit adjustment of $278,902 was required to properly reflect the investment earnings and related balance sheet accounts to properly reflect the December activity in the Pension Trust Fund.
- During our testing of grant revenues, we noted the County did not properly record grant receivables and unavailable revenues for grant expenditures that were eligible for reimbursement in the Grant Fund for the year ended December 31, 2016. There was no impact on fund balance of the Grant Fund, however, the County did not record $488,612 of revenues in the Statement of Activities for the year ended December 31, 2016, but instead recorded those revenues in 2017.

Effects: As a result of the issues noted above, the total misstatements related to the reporting of revenues and related balance sheet accounts total $767,514.

Recommendation: We recommend the County carefully review year-end investment statements to ensure all investment earnings and related balances are properly reflected in the County's financial statements. Additionally, we recommend the County carefully review all reimbursable grant expenditures, revenues, and related balances to ensure they are reported in the proper reporting period.

Auditee's Response: We concur with the finding. We will implement policies and procedures to ensure amounts are reported correctly with regard to revenues and the related accounts.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

2016-001 Reporting of Prior Year Balances

Condition: Internal controls were not sufficient to detect misstatements in the beginning net position for the County's Water & Sewerage Authority in the financial statements for the year ended December 31, 2015.

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

2016-002 Accounts Payable and Related Balance

Condition: Internal controls were not sufficient to detect misstatements in the County's Water & Sewerage Authority accounts payable and related capital assets balances for the year ended December 31, 2016.

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

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

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

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

FORSYTH COUNTY, GEORGIA
Your Community. Your Future.

Forsyth County Board of Commissioners

TODD LEVENT
CHAIRMAN

LAURA SEMANSON
VICE CHAIRMAN

DENNIS T. BROWN
SECRETARY

RALPH J. AMOS
MEMBER

CINDY JONES MILLS
MEMBER

ERIC R. JOHNSON
COUNTY MANAGER

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

2017-001 Revenues and Related Balance Sheet Accounts

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

Corrective Action Plan: The Finance Director will monitor year-end investment statements to ensure all activity during the year is properly reflected in the financial statements of the County. The Finance Director will also monitor grant projects and the reimbursable costs incurred thereof to ensure grant expenditures, revenues, and related balances are reported in the proper reporting period.

Anticipated Completion Date: In place