

COMPREHENSIVE

2018 ANNUAL FINANCIAL REPORT



PREPARED BY THE FORSYTH COUNTY FINANCE DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2018





Prepared by the Forsyth County
Finance Department

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

For the year ended
December 31, 2018

INTRODUCTORY SECTION

2018 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2018

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FORSYTH COUNTY, GEORGIA

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FORSYTH COUNTY, GEORGIA

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Forsyth County Board of Commissioners

June 14, 2019

LAURA SEMANSON
CHAIRMAN

CINDY JONES MILLS
VICE CHAIRMAN

DENNIS T. BROWN
SECRETARY

TODD LEVENT
MEMBER

MOLLY COOPER
MEMBER

ERIC R. JOHNSON
COUNTY MANAGER

TIM R. MERRITT
DEPUTY COUNTY MANAGER

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, 2018.

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, 2018, 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, 2018, 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 236,612 Forsyth citizens residing in the 247 square mile area include: police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and 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 25th fastest growing county in the nation as well as the 9th fastest growing county in Georgia for 2018 estimating the county's population expanded by 3.8% between 2017 and 2018. In all, Forsyth added 8,645 new residents during that period. By 2040, Forsyth County's population is projected to increase by 82%. Forsyth County employs more than 113,398 within its boundaries with approximately 7,333 licensed businesses. Existing companies are continuing to expand within our community, serving as a large source for new jobs. As of December 2018, the county's unemployment rate was 3.1%, which is lower than the State of Georgia (3.7%) and the United States (3.9%).

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 49,811 students, is the seventh largest school system in Georgia, operating 39 schools within the county. The public-school system is Forsyth County's largest employer with over 5,392 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.
- Forsyth County Parks & Recreation Department received the Georgia Recreation and Park Association (GRPA) Agency of the Year Award. The award was presented in the largest population category – 150,000 and over. As cited in the nomination, the department has earned national accreditation status from the Commission for Accreditation of Park and Recreation Agencies. It is one of only 166 agencies nationally to hold the recognition and the second county in Georgia to gain the accreditation.
- On November 6, 2018, Forsyth County voters approved continuation of the one-percent Special Purpose Local Option Sales Tax (SPLOST) program. Collections begin on July 1, 2019 and continue for six years. County projects to be funded from SPLOST VIII include: road projects, fire department facilities and equipment, park projects, senior services facility, and animal services projects.

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.
- Design is underway for the construction of new fire station #11 on Pittman Road. The planned opening in 2020 of the station on this new site in the western portion of the county will bring the total coverage to 14 stations providing fire, rescue, and EMS protection for the public.
- In 2018, there were more than 678,842 visits to Forsyth County Public Library branches, more than 2.6 million items checked out, more than 173,000 information questions answered by staff, and more than 110,600 patrons attending library programs.
- With completion of the major expansion, the Sharon Forks Library in southeast Forsyth County reopened in March 2018. The expansion added about 18,000 square feet, almost doubling the building's size. This will enable the site to continue to serve the public as the busiest library location in the state.

- Sexton Hall Enrichment Center opened a new garden space for the public during a dedication ceremony and tree planting in June 2018. The Live Well Garden is an extension of the Senior Services theme of aging well by living a healthy and active lifestyle. Volunteer assistance helped to establish this garden.
- The county's Geographical Information System [GIS] was upgraded in 2018 to make it easier than ever to find information about the location of many types of features around the county, such as parks, road construction, and voting locations along with many other types of information. The county's GIS is now more user friendly across mobile, tablet or desktop devices.
- The Voter Registration & Elections Office moved into their new building on Sawnee Drive in January 2018. The new facility enabled the department to consolidate their previous two locations for improved efficiency.

Parks, Recreation and Green Space Bond Dollars at Work

- New trails were opened at three county parks – Lanierland Park, Matt Community Park, and the new braille trail at Fowler Park, fully equipped with guide ropes and features for the visually impaired. This brings the total to just over 50 miles of county park trails.
- A bike skills park, designed specifically for riders between the ages of 3-11, was unveiled at Haw Creek Park in October 2018. The skill park features a pump track, tot track and technical trail features that are found on most mountain biking trails. New playground equipment was also added to the park.
- Over the summer, the county launched recreation programming to serve individuals with intellectual and physical disabilities. The program is designed to facilitate the development of leisure and recreation skills, socialization, independence and overall quality of life for residents with disabilities. The Parks & Recreation Department hired a therapeutic recreation supervisor to coordinate and implement the new programs.

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 2017 Annual Update of the Impact Fee Program adopted by the Commission in October 2018. 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 (42% of total 2018 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, 2017. This was the sixteenth 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, 2018. This was the sixth 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,



Ert Johnson
County Manager



David 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, 2017

Christopher P. Morill

Executive Director/CEO

Officials of FORSYTH COUNTY

2018

BOARD OF COMMISSIONERS



R. J. (Pete) Amos
Member
District 1



Dennis T. Brown
Secretary
District 2



Todd Levent
Chairman
District 3



Cindy Jones Mills
Member
District 4



Laura Semanson
Vice Chairman
District 5

ADMINISTRATION



Eric Johnson
County Manager



Tim Merritt
Deputy County Manager

FINANCE



David Gruen
Chief Financial Officer

JUDICIAL & OTHER ELECTED OFFICIALS

| | |
|----------------------------|----------------------------|
| Jeffrey S. Bagley | Superior Court Chief Judge |
| David L. Dickinson | Superior Court Judge |
| Phillip 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 |

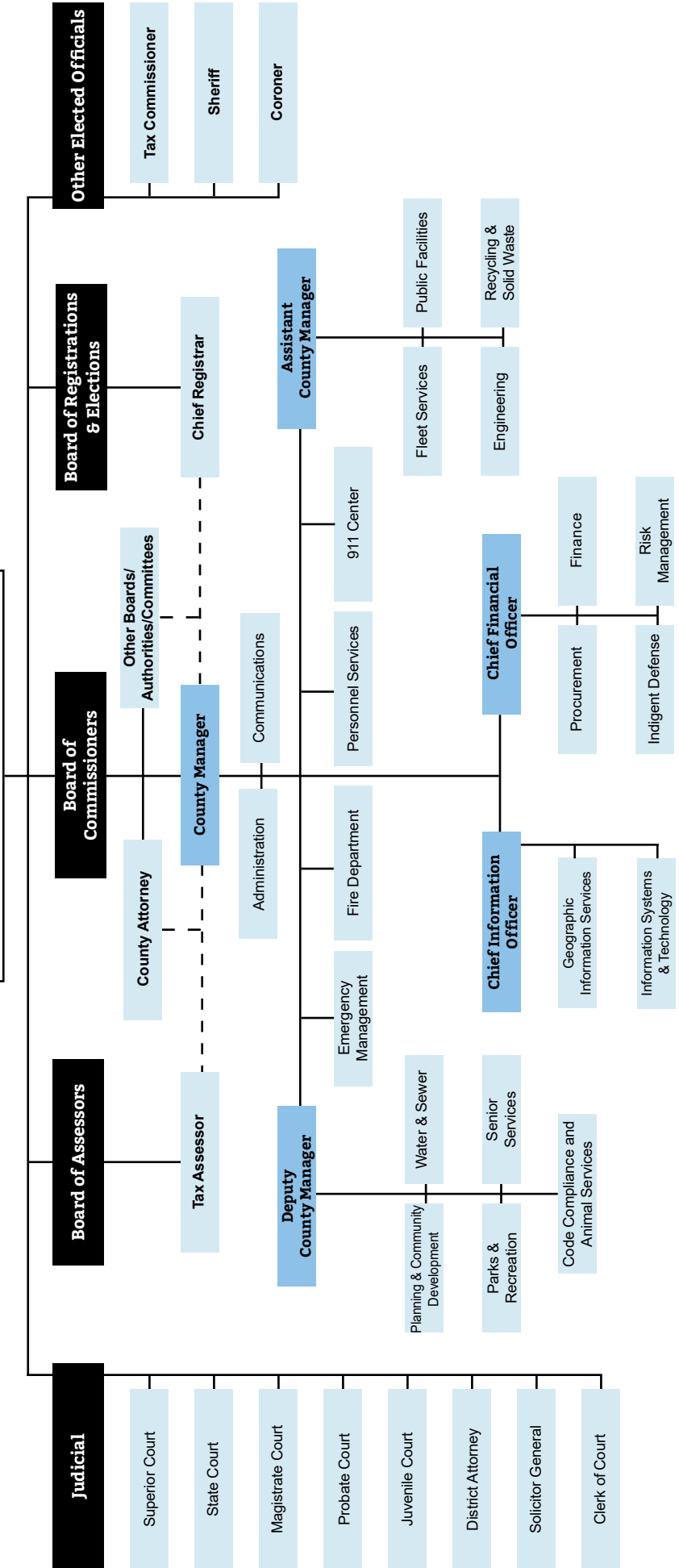
| | |
|----------------------|----------------------|
| Christopher Willis | Juvenile Court Judge |
| Penny Penn | District Attorney |
| William F. Finch | Solicitor General |
| Greg G. Allen | Clerk of Court |
| Matthew C. Ledbetter | Tax Commissioner |
| Lauren McDonald | Coroner |
| Ron Freeman | Sheriff |

COUNTY DEPARTMENT HEADS

| | |
|-------------------|----------------------------------|
| Cynthia Iacopella | Animal Shelter |
| Mary Kirkpatrick | Board of Tax Assessors |
| Stephen Zaring | Code Compliance |
| Karen Shields | Communications |
| Pat Giordano | E-911 |
| John Cunard | Engineering |
| Rebecca Whitmire | Finance |
| Barry Head | Fire Department |
| Avery Gravitt | Fleet Services |
| John Kilgore | GIS |
| Connie Brooker | Indigent Defense |
| Brandon Kenney | Information Systems & Technology |

| | |
|----------------|----------------------------------|
| Anna Lyle | Library |
| Jim Pryor | Parks & Recreation |
| Pat Carson | Personnel Services |
| Tom Brown | Planning & Community Development |
| Donna Kukarola | Procurement |
| Dan Callahan | Public Facilities |
| Charity Clark | Risk Management |
| Ruthie Brew | Senior Services |
| Tammy Wright | Solid Waste and Recycling |
| Barbara Luth | Voter Registrations & Elections |
| Tim Perkins | Water & Sewer |
| Chris Grimes | Emergency Management |

Citizens of Forsyth County



An aerial photograph of a city park. In the upper left, a circular plaza with concentric circles is visible. A wide, paved walkway runs through the center of the park, with several people walking. To the right, a road with cars and a white van is visible. The park features green grass, trees, and landscaped areas. The overall scene is bright and clear.

FINANCIAL SECTION

2018 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



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, 2018, 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 8 percent, 7 percent, and 15 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, 2018, 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.

Emphasis of Matter

As discussed in Notes 11 and 16, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of January 1, 2018. This standard significantly changed the accounting for the County's total other postemployment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

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 16), the budgetary comparison information for the General Fund and the Fire District Fund (on pages 76 through 78), the schedule of changes in the County's total OPEB liability and related ratios, 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 14, 2019, 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.



Atlanta, Georgia
June 14, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

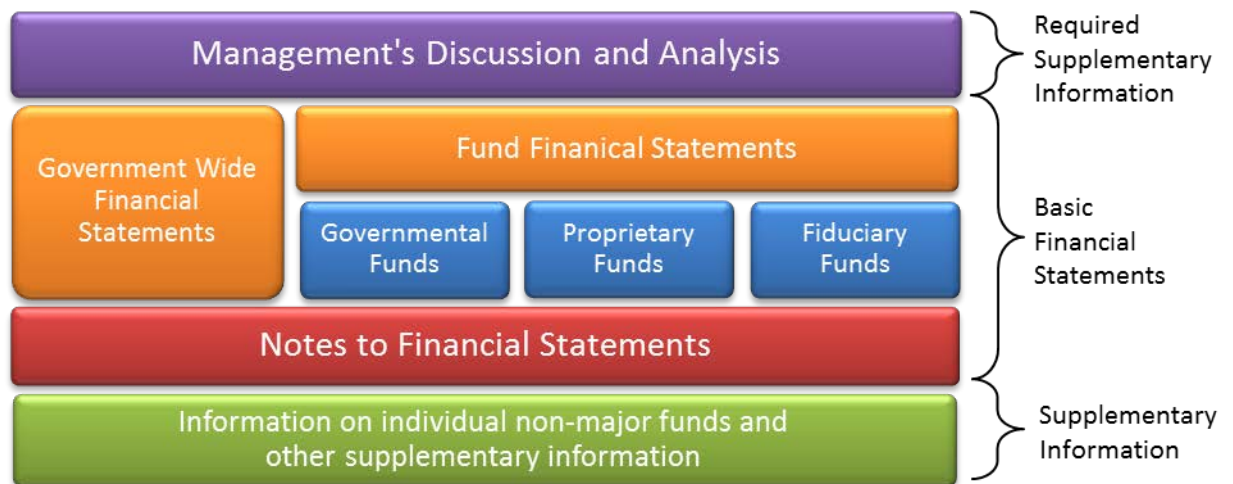
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the transmittal letter on page v and the County's financial statements, which begin on page 17.

GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$1.67 billion (net position) at December 31, 2018. Of this amount \$1.15 billion is governmental activities and \$524.6 million is business-type activities.
- The combined revenue total for the County is \$336.8 million, a 1.81% decrease from 2017. Of the combined total governmental activities is \$255.3 million and business-type activities is \$81.5 million.
- The combined expense total for the County is \$250.5 million, a 6.05% increase from 2017. Of the combined total governmental activities is at \$198.0 million and business-type activities is \$52.5 million.
- At December 31, 2018, the County's governmental funds reported combined ending fund balance is \$220.4 million, an increase of \$18.4 million (9.10%) from the 2017 fund balance. The unassigned fund balance for various governmental funds is \$54.5 million.
- The County's total debt decreased by \$22.5 million (5.68%) from fiscal year 2017, primarily due to the County paying scheduled annual principal payments.

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 17 and 18, 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, 2018, 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, SPLOST fund, and capital projects fund, all of which are considered to be major funds. Data from the other fourteen 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 19-21 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 2018, 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 22-24 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 page 25 and 26 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 27-75 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 \$1.67 billion at the close of the most recent fiscal year. This is an increase of \$82 million or 5.14% from fiscal year 2017.

FORSYTH COUNTY, GEORGIA'S NET POSITION

December 31, 2018

(\$ In thousands)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|---|----------------------------|--------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| ASSETS | | | | | | |
| Current and other assets | \$ 340,491 | \$ 317,102 | \$ 103,595 | \$ 136,714 | \$ 444,086 | \$ 453,816 |
| Capital assets (net of | <u>1,126,327</u> | <u>1,103,839</u> | <u>659,444</u> | <u>605,806</u> | <u>1,785,771</u> | <u>1,709,645</u> |
| TOTAL ASSETS | <u>1,466,818</u> | <u>1,420,941</u> | <u>763,039</u> | <u>742,520</u> | <u>2,229,857</u> | <u>2,163,461</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| | <u>10,894</u> | <u>10,874</u> | <u>5,974</u> | <u>6,515</u> | <u>16,868</u> | <u>17,389</u> |
| LIABILITIES | | | | | | |
| Other liabilities | 16,427 | 19,057 | 48,960 | 49,658 | 65,387 | 68,715 |
| Long-term liabilities | <u>221,072</u> | <u>228,172</u> | <u>195,423</u> | <u>203,054</u> | <u>416,495</u> | <u>431,226</u> |
| TOTAL LIABILITIES | <u>237,499</u> | <u>247,229</u> | <u>244,383</u> | <u>252,712</u> | <u>481,882</u> | <u>499,941</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| | <u>94,698</u> | <u>90,022</u> | <u>-</u> | <u>-</u> | <u>94,698</u> | <u>90,022</u> |
| NET POSITION | | | | | | |
| Net investment in capital | 985,786 | 990,472 | 471,770 | 421,278 | 1,457,556 | 1,411,750 |
| Restricted | 92,424 | 62,291 | 4,323 | 4,117 | 96,747 | 66,408 |
| Unrestricted | <u>67,305</u> | <u>34,777</u> | <u>48,537</u> | <u>70,928</u> | <u>115,842</u> | <u>105,705</u> |
| TOTAL NET POSITION | <u>\$1,145,515</u> | <u>\$1,087,540</u> | <u>\$ 524,630</u> | <u>\$ 496,323</u> | <u>\$ 1,670,145</u> | <u>\$ 1,583,863</u> |

Source: Statement of Net Position

The largest component of the County's net position, \$1.46 billion (87.27%) at December 31, 2018, 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, \$96.7 million (5.79%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net position, \$115.1 million (6.94%), 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 \$58.0 million (5.33%), 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 28.3 million (5.70%). 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.

Changes in Net Position. Governmental and business-type activities increased the County’s net position by \$86.3 million by the end December 31, 2018.

The following table gives a comparison for the changes in net position in governmental and business type activities for fiscal year 2017 and 2018:

FORSYTH COUNTY, GEORGIA'S CHANGES IN NET POSITION

December 31, 2018

(\$ In thousands)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|--|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 42,369 | \$ 41,291 | \$ 49,312 | \$ 43,172 | \$ 91,681 | \$ 84,463 |
| Operating grants and contributions | 2,036 | 1,442 | | | 2,036 | 1,442 |
| Capital grants and contributions | 10,782 | 26,121 | 29,573 | 47,067 | 40,355 | 73,188 |
| General Revenues: | | | | | | |
| Property taxes | 93,248 | 86,347 | - | - | 93,248 | 86,347 |
| Sales taxes | 74,446 | 69,718 | - | - | 74,446 | 69,718 |
| Title ad valorem tax | 10,771 | 8,696 | - | - | 10,771 | 8,696 |
| Insurance premium tax | 10,969 | 10,173 | - | - | 10,969 | 10,173 |
| Other taxes | 5,045 | 5,024 | - | - | 5,045 | 5,024 |
| Unrestricted investment earnings | 4,021 | 1,828 | 1,897 | 1,079 | 5,918 | 2,907 |
| Intergovernmental revenue, not restricted for a specific programs | | | - | - | - | - |
| | | | 32 | 32 | 32 | 32 |
| Other | 1,559 | 970 | 719 | 24 | 2,278 | 994 |
| TOTAL REVENUES | \$ 255,246 | \$ 251,610 | \$ 81,533 | \$ 91,374 | \$ 336,779 | \$ 342,984 |
| EXPENSES | | | | | | |
| General Government | 37,230 | 34,754 | - | - | 37,230 | 34,754 |
| Judicial | 15,201 | 15,272 | - | - | 15,201 | 15,272 |
| Public Safety | 81,256 | 77,125 | - | - | 81,256 | 77,125 |
| Public Works | 27,178 | 26,346 | - | - | 27,178 | 26,346 |
| Health and Welfare | 3,473 | 2,974 | - | - | 3,473 | 2,974 |
| Culture and Recreation | 20,524 | 19,255 | - | - | 20,524 | 19,255 |
| Housing and Development | 7,481 | 6,524 | - | - | 7,481 | 6,524 |
| Interest | 5,678 | 5,781 | - | - | 5,678 | 5,781 |
| Solid Waste Disposal Facility | - | - | 1,354 | 888 | 1,354 | 888 |
| Water and Sewer | - | - | 51,122 | 47,267 | 51,122 | 47,267 |
| TOTAL EXPENSES | 198,021 | 188,031 | 52,476 | 48,155 | 250,497 | 236,186 |
| Increase in net position before transfers | 57,225 | 63,579 | 29,057 | 43,219 | 86,282 | 106,798 |
| Transfers | 750 | 750 | (750) | (750) | - | - |
| Increase in net position | 57,975 | 64,329 | 28,307 | 42,469 | 86,282 | 106,798 |
| Net position, beginning of year | 1,087,540 | 1,026,723 | 496,323 | 453,854 | 1,583,863 | 1,480,577 |
| Prior Period Adjustments | | (3,512) | | | - | (3,512) |
| Net position, end of year | <u>\$ 1,145,515</u> | <u>\$ 1,087,540</u> | <u>\$ 524,630</u> | <u>\$ 496,323</u> | <u>\$ 1,670,145</u> | <u>\$ 1,583,863</u> |

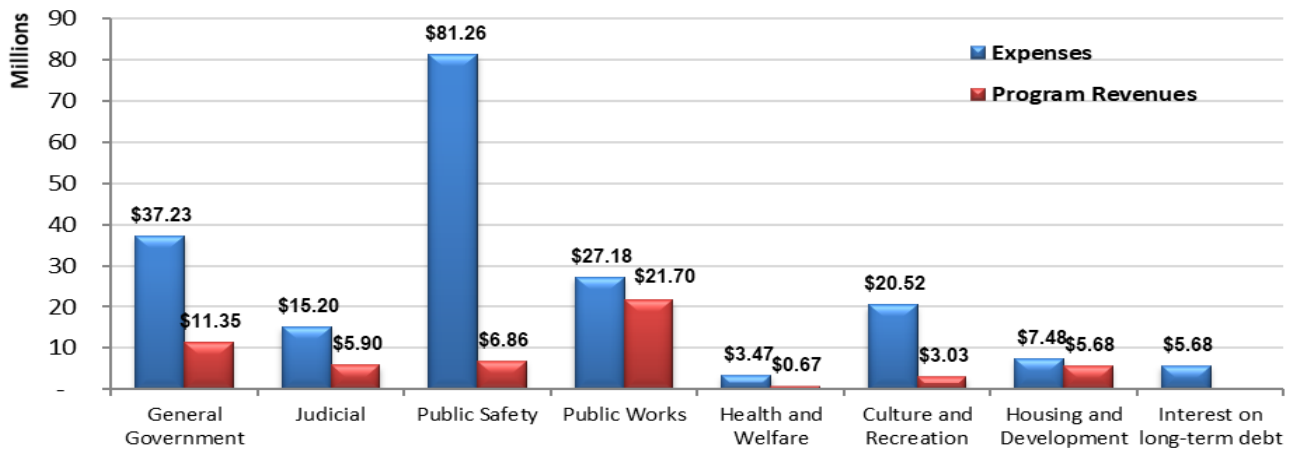
Source: Statement of Activities

Governmental Activities. Governmental activities increased the County’s net position by \$58.0 million thereby accounting for 66.76% of the total growth in net position. Key elements of this increase are as follows:

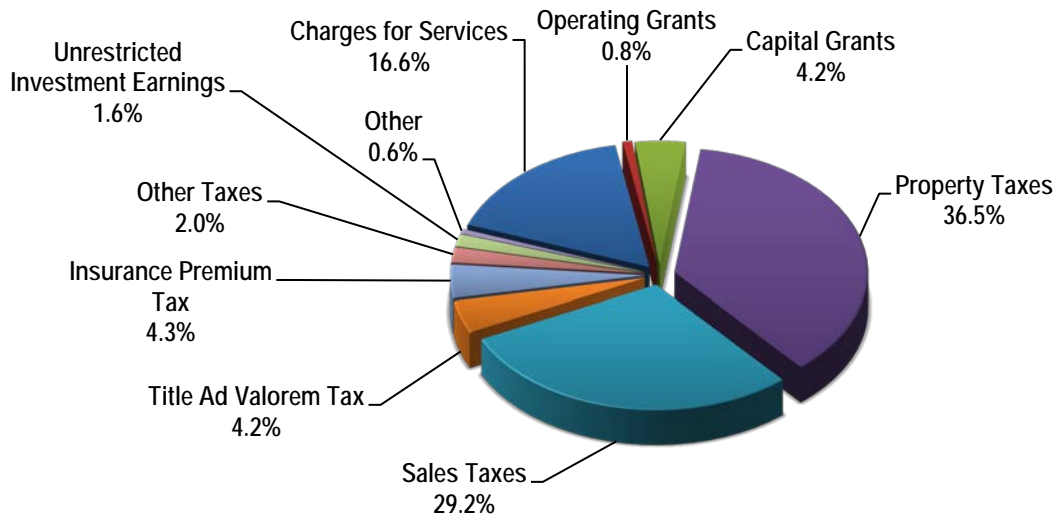
- The County’s governmental activities relied on the following revenue sources in 2018: \$42.4 million in charges for services, \$12.8 million for grants and contributions, \$194.5 million in taxes, \$4.0 million in investment earnings and \$1.5 million in other revenue. Total program and general revenue for 2018 is \$255.2 million.
- Total revenues for governmental activities increased by \$3.6 million or 1.45% from fiscal year 2017. Property taxes totaling \$93.2 million is the largest revenue source for the County. Operating grants and contributions increased by \$0.6 million, while capital grants and contributions decreased by \$15.3 million. Sales tax revenues combined with the Title Ad Valorem Tax increased by \$6.8 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 2018 increased by \$10.0 million or 5.31% from 2017. The largest increase was \$4.1 million in public safety primarily related to increased costs for equipment, salaries and benefits.

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

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES



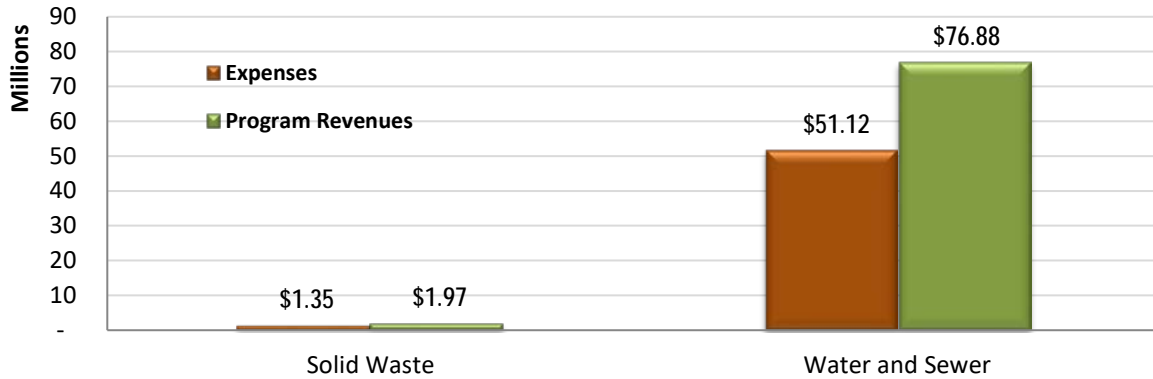
REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



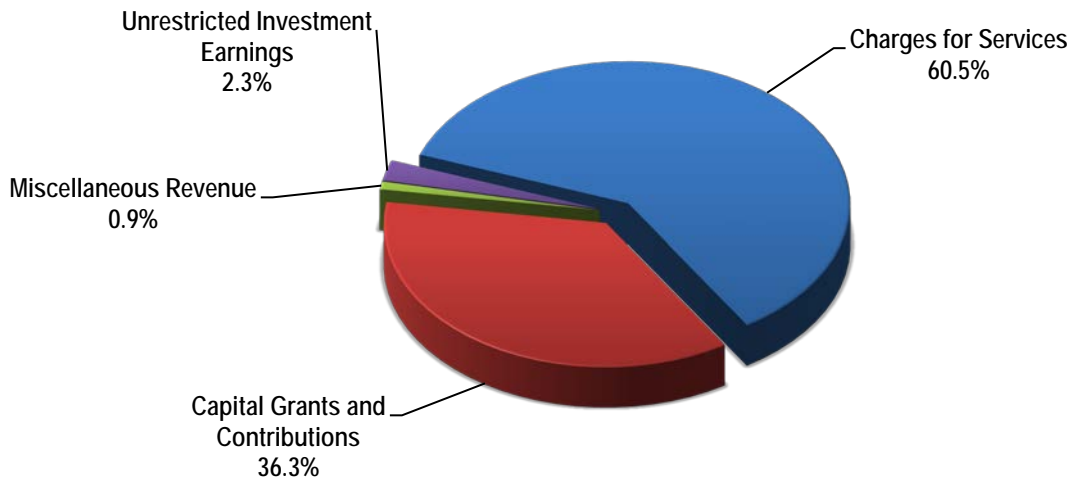
Business-type activities. Business-type activities increased the County’s net position by \$28.3 million, accounting for 32.81% of the total growth in net position. A key element of this increase is Water and Sewer Authority capital contributions of \$29.6 million, which includes developers’ system contributions.

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 ACTIVITIES



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)

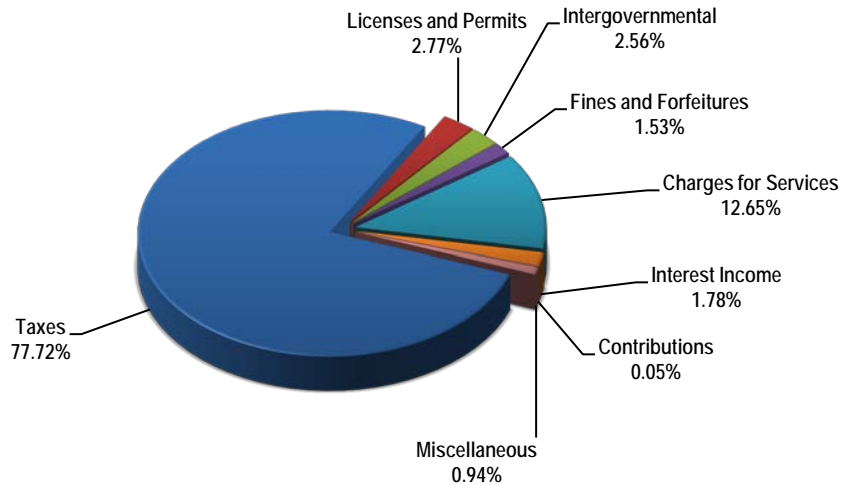
| | 2018 | 2017 | Inc/Dec | % Inc/Dec |
|-----------------------------|--------------------------|--------------------------|-------------------------|------------------|
| General Fund | \$ 56,998 | \$ 53,402 | \$ 3,596 | 6.73% |
| Fire District | 7,252 | 6,404 | 848 | 13.24% |
| SPLOST | 39,830 | 17,782 | 22,048 | 123.99% |
| Capital Projects Fund | 34,744 | 41,198 | (6,454) | -15.67% |
| Nonmajor Governmental Funds | <u>81,602</u> | <u>83,261</u> | <u>(1,659)</u> | -1.99% |
| Fund Balance | <u>\$ 220,426</u> | <u>\$ 202,047</u> | <u>\$ 18,379</u> | 9.10% |

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

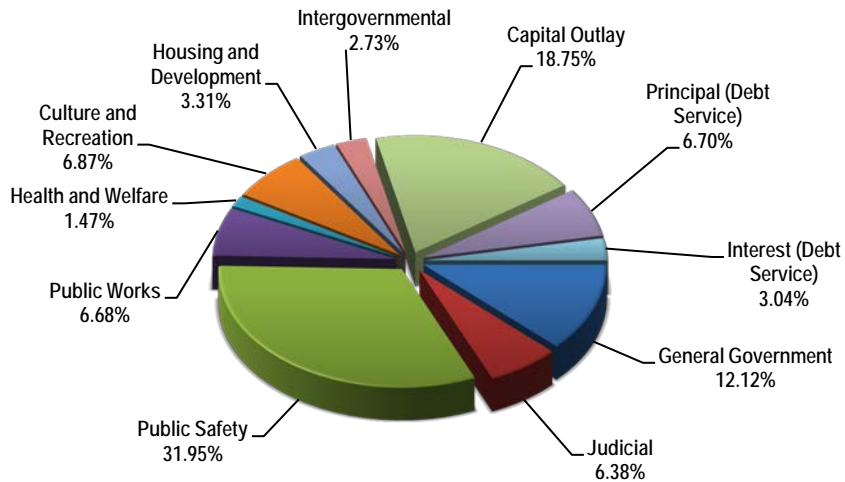
At the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$220.4 million, an increase of \$18.4 million in comparison with the fund balance for 2017. Approximately 24.7% of this total amount, \$54.5 million, constitutes unassigned which is available for spending at the government’s discretion. The remainder of fund balance is non-spendable, restricted 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 \$54.4 million, which represents 95.6% of total general fund balance. The fund balance increased by \$3.6 million during the current fiscal year. This is due to an increase in the sales tax and Title Ad Valorem Tax collections.

**REVENUES BY SOURCE -
GOVERNMENTAL FUNDS**



EXPENDITURES BY FUNCTION - GOVERNMENTAL FUNDS



The fund balance of the County's fire fund increased by \$0.8 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 \$22.0 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 capital projects fund decreased by \$6.4 million during the current fiscal year. The decrease is due to the increase in capital outlay expenditures related to the ongoing projects in the County during the year.

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 \$47.3 million, an increase of \$6.6 million from 2017. This is due to an increase in water and sewer sales revenues. The department's water customer count grew by 2,267, or 3.82%, new connections to a year-end total of 61,632 and sewer customer count increased by 1,666, or 5.40%, to a year-end total of 32,533. Total operating expenses were \$44.8 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2018 is \$1.786 billion. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide net additions in 2018 are \$76.1 million with \$22.5 million in government-type activities and \$53.6 million net increase in business-type activities. Net investment in capital assets is \$1.457 billion with \$985.8 billion for governmental activities and \$471.8 million for business-type activities. This is a 3.24% increase from the previous fiscal year.

FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS

(in the thousands)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|----------------------------------|----------------------------|---------------------------|-----------------------------|--------------------------|----------------------------|----------------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Land and improvements | \$ 463,643 | \$ 448,998 | \$ 30,535 | \$ 30,540 | \$ 494,178 | \$ 479,538 |
| Infrastructure land improvements | 170,045 | 170,050 | - | - | 170,045 | 170,050 |
| Construction in progress | 41,424 | 33,254 | 96,660 | 60,326 | 138,084 | 93,580 |
| Buildings and improvements | 218,112 | 217,218 | 59,754 | 61,015 | 277,866 | 278,233 |
| Machinery and equipment | 21,939 | 26,047 | 3,084 | 3,130 | 25,023 | 29,177 |
| Vehicles | 10,925 | 10,601 | 1,280 | 1,243 | 12,205 | 11,844 |
| Sewer Capacity Rights | - | - | 12,749 | 13,792 | 12,749 | 13,792 |
| Infrastructure | <u>200,239</u> | <u>197,671</u> | <u>455,388</u> | <u>435,760</u> | <u>655,627</u> | <u>633,431</u> |
| Total | <u>\$1,126,327</u> | <u>\$1,103,839</u> | <u>\$ 659,450</u> | <u>\$ 605,806</u> | <u>\$ 1,785,777</u> | <u>\$ 1,709,645</u> |

Total Increase \$ 76,132

Total % Increase 4.45%

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

- New trails were opened at three county parks – Lanierland Park, Matt Community Park, and the new braille trail at Fowler Park, fully equipped with guide ropes and features for the visually impaired. This brings the total to just over 50 miles of county park trails.
- The Voter Registration & Elections Office moved into their new building on Sawnee Drive in January 2018. The new facility enabled the department to consolidate their previous two locations for improved efficiency.
- A bike skills park, designed to specifically for riders between the ages of 3-11, was unveiled at Haw Creek Park in October 2018. The skill park features a pump track, tot track and technical trail features that are found on most mountain biking trails. New playground equipment was also added to the park.
- Design is underway for the construction of new fire station #11 on Pittman Road. The planned opening in 2020 of the station on this new site in the western portion of the county will bring the total coverage to 14 stations providing fire, rescue, and EMS protection for the public.
- Sexton Hall Enrichment Center opened a new garden space for the public during a dedication ceremony and tree planting in June 2018. The Live Well Garden is an extension of the Senior Services theme of aging well by living a healthy and active lifestyle. Volunteer assistance helped to establish this garden.
- The State Road 400 widening project from four lanes to six lanes was completed and fully opened from McFarland Parkway to Highway 369 in the fall 2018. Other road widening projects under construction include Union Hill Road, pilgrim Mill Road, Sharon Road, and Brookwood Road. In addition, a number intersection improvement and sidewalk/bike path projects can be seen around the county.
- With completion of the major expansion, the Sharon Forks Library in southeast Forsyth County reopened in March 2018. The expansion added about 18,000 square feet, almost doubling the building's size. This will enable the site to continue to serve the public as the busiest library location in the state.
- The county's Geographical Information System [GIS] was upgraded in 2018 to make it easier than ever to find information about the location of many types of features around the county, such as parks, road construction, and voting locations along with many other types of information. The county's GIS is now more user friendly across mobile, tablet or desktop devices.

Additional information on the County's capital assets can be found in Note 6, on pages 48-50.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of \$373.6 million. Of this amount \$186.2 million consists of general obligation bonds backed by the full faith and

credit of the government and \$187.4 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County’s total debt decreased by \$22.4 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 52-61.

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, 2018 | | | | |
| | Budgeted Amounts | | Actual | Variance with |
| | Original | Final | | Final Budget |
| General Government | \$ 36,479,872 | \$ 33,351,370 | \$ 28,082,043 | \$ 5,269,327 |
| Judicial | 14,233,100 | 14,600,015 | 13,787,584 | 812,431 |
| Public Safety | 45,901,450 | 47,605,039 | 46,269,776 | 1,335,263 |
| Public Works | 123,400 | 123,400 | 111,780 | 11,620 |
| Health and Welfare | 2,007,700 | 2,116,787 | 1,916,144 | 200,643 |
| Culture and Recreation | 16,109,100 | 16,524,008 | 15,793,191 | 730,817 |
| Housing and Development | 7,549,400 | 7,965,864 | 6,970,998 | 994,866 |
| Debt Service | 43,000 | 42,982 | 42,982 | - |
| Total Expenditures | \$ 122,447,022 ¹ | \$ 122,329,465 | \$ 112,974,498 | \$ 9,354,967 |

(1) The adopted General Fund expenditure budget included transfers to other funds (\$5,456,500) 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 \$123.6 million in the original budget increased to \$126.6 million at year end, due to an increase in sales tax and title ad valorem taxes of \$2.3 million. Total revenues ended at \$131.5 million, \$4.8 million above the final budget. The original adopted expenditure budget of \$122.4 million was amended to \$122.3 million.

However, by year end actual expenditures for the general fund were \$113.0 million, \$9.3 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government \$5.2 million under final budget due to significant savings on facilities costs, lower technology costs than expected, and the remaining balance available in budgeted reserves.
- Public Safety \$1.3 million under final budget due to final costs in the County Sheriff’s office ending significantly under budget.
- Judicial \$0.8 million under final budget due to the total indigent defense, probate court, and court clerk’s costs.

Forsyth County’s general fund 2018 final budget is \$122.3 million, an increase of 6.3% from the 2017 budget.

ECONOMIC FACTORS AND THE 2019 BUDGET

Forsyth County's 2019 budget is a reflection of the financial position of the County in 2018. During 2018, the County experienced an increase in revenues and amended the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 3.1%, down 0.7% from 2017. This compares favorably to the State of Georgia's unemployment rate at 3.7%, and the national unemployment rate of 3.9% at the end of 2018.
- LOST and SPLOST revenues increased by \$4.7 million, a 6.8% increase from fiscal year 2017. An increase is also projected for the 2019 Budget. The County continues to monitor collections on a monthly basis.
- The County's total 2018 millage rate for Maintenance and Operations, Fire and Debt Service was reduced to 7.936 mills, a 1.2% reduction. This was due to a reduction in the Bond millage rate from 1.419 to 1.319 mills, down 7.0%. The M & O and Fire rates were unchanged. The 2019 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 2019.

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, 2018**

| ASSETS | Primary Government | | | Component Units | | |
|--|-------------------------|--------------------------|-------------------------|-------------------|-----------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Total | Health Department | Library System | Public Facilities Authority |
| Cash and cash equivalents | \$ 208,142,741 | \$ 76,914,744 | \$ 285,057,485 | \$ 1,815,650 | \$ 1,899,785 | \$ - |
| Investments | 61,338,249 | 13,270,098 | 74,608,347 | 502,741 | - | - |
| Receivables (net of allowance for uncollectibles) | 5,197,280 | 5,374,517 | 10,571,797 | 50,009 | 65,054 | - |
| Taxes receivable | 6,944,692 | - | 6,944,692 | - | - | - |
| Intergovernmental receivables | 5,229,390 | - | 5,229,390 | - | 101,778 | 23,369,979 |
| Prepaid items | 687,515 | 3,748 | 691,263 | - | 117,944 | - |
| Inventories | 1,279,817 | 1,124,269 | 2,404,086 | - | - | - |
| Internal balances | (833,777) | 833,777 | - | - | - | - |
| Other assets | 1,620,452 | - | 1,620,452 | - | - | - |
| Restricted assets: | | | | | | |
| Restricted cash and cash equivalents | 44,520,276 | 6,005,824 | 50,526,100 | - | - | - |
| Investments | 6,365,011 | - | 6,365,011 | - | - | - |
| Note receivable | - | 68,444 | 68,444 | - | - | - |
| Capital assets, nondepreciable | 675,111,794 | 135,353,961 | 810,465,755 | - | - | - |
| Capital assets, depreciable, net of accumulated depreciation | 451,214,960 | 524,090,992 | 975,305,952 | 9,291 | 1,886,893 | - |
| Total assets | 1,466,818,400 | 763,040,374 | 2,229,858,774 | 2,377,691 | 4,071,454 | 23,369,979 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred charges on refunding | 8,840,295 | 5,973,541 | 14,813,836 | - | - | - |
| Pension related items | 2,053,977 | - | 2,053,977 | 283,971 | 1,036,078 | - |
| OPEB related items | - | - | - | 208,510 | 103,317 | - |
| Total deferred outflows of resources | 10,894,272 | 5,973,541 | 16,867,813 | 492,481 | 1,139,395 | - |
| LIABILITIES | | | | | | |
| Accounts payable | 11,624,762 | 9,214,992 | 20,839,754 | 8,444 | 124,267 | - |
| Accrued liabilities | 4,802,615 | 2,036,042 | 6,838,657 | - | 194,484 | 449,979 |
| Customer deposits payable | - | 4,334,615 | 4,334,615 | - | - | - |
| Unearned revenue | - | 33,374,023 | 33,374,023 | - | - | - |
| Noncurrent liabilities due within one year | | | | | | |
| Capital lease payable | 2,679,458 | - | 2,679,458 | - | - | - |
| Compensated absences payable | 6,822,266 | 579,514 | 7,401,780 | 38,400 | 266,020 | - |
| Note payable | - | 326,147 | 326,147 | - | - | - |
| Claims payable | 4,341,260 | - | 4,341,260 | - | - | - |
| Landfill closure and postclosure | - | 70,000 | 70,000 | - | - | - |
| Bonds payable | 12,190,000 | 5,700,000 | 17,890,000 | - | - | 1,290,000 |
| Noncurrent liabilities due in more than one year | | | | | | |
| Compensated absences payable | 1,708,066 | 144,879 | 1,852,945 | - | - | - |
| Note payable | - | 5,916,715 | 5,916,715 | - | - | - |
| Claims payable | 1,205,624 | - | 1,205,624 | - | - | - |
| Total OPEB liability | 5,668,552 | - | 5,668,552 | - | - | - |
| Net OPEB liability | - | - | - | 1,067,351 | 2,879,539 | - |
| Net pension liability | 4,652,401 | - | 4,652,401 | 1,193,017 | 4,812,666 | - |
| Landfill closure and postclosure | - | 980,000 | 980,000 | - | - | - |
| Certificates of participation | 7,777,000 | - | 7,777,000 | - | - | - |
| Bonds payable | 174,027,477 | 181,705,534 | 355,733,011 | - | - | 25,442,140 |
| Total liabilities | 237,499,481 | 244,382,461 | 481,881,942 | 2,307,212 | 8,276,976 | 27,182,119 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred revenues - property taxes | 92,914,431 | - | 92,914,431 | - | - | - |
| Accumulated increase in fair value of hedging derivative | 1,620,452 | - | 1,620,452 | - | - | - |
| Pension related items | 163,619 | - | 163,619 | 29,173 | 51,281 | - |
| OPEB related items | - | - | - | 88,128 | 345,635 | - |
| Total deferred inflows of resources | 94,698,502 | - | 94,698,502 | 117,301 | 396,916 | - |
| NET POSITION | | | | | | |
| Net investment in capital assets | 985,786,260 | 471,770,098 | 1,457,556,358 | 9,291 | 1,886,893 | - |
| Restricted for: | | | | | | |
| Crime victims' assistance | 8,313 | - | 8,313 | - | - | - |
| Fire protection services | 7,424,262 | - | 7,424,262 | - | - | - |
| Law enforcement activities | 1,813,015 | - | 1,813,015 | - | - | - |
| Law library operations | 84,219 | - | 84,219 | - | - | - |
| Emergency 911 services | 2,650,163 | - | 2,650,163 | - | - | - |
| Health and welfare | - | - | - | 806,928 | - | - |
| Debt service | 15,184,499 | 4,322,626 | 19,507,125 | - | - | - |
| Capital projects | 65,259,131 | - | 65,259,131 | - | 197,415 | - |
| Unrestricted | 67,304,827 | 48,538,730 | 115,843,557 | (370,560) | (5,547,351) | (3,812,140) |
| Total net position | \$ 1,145,514,689 | \$ 524,631,454 | \$ 1,670,146,143 | \$ 445,659 | \$ (3,463,043) | \$ (3,812,140) |

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

| <u>Functions/Programs</u> | Program Revenues | | | |
|---|------------------|-------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 37,230,308 | \$ 11,036,401 | \$ 313,142 | \$ - |
| Judicial | 15,200,634 | 5,240,304 | 661,623 | - |
| Public safety | 81,255,730 | 6,388,368 | 474,721 | - |
| Public works | 27,177,981 | 10,915,835 | - | 10,781,848 |
| Health and welfare | 3,473,149 | 80,648 | 585,950 | - |
| Culture and recreation | 20,523,494 | 3,030,370 | - | - |
| Housing and development | 7,481,257 | 5,677,502 | - | - |
| Interest on long-term debt | 5,678,110 | - | - | - |
| Total governmental activities | 198,020,663 | 42,369,428 | 2,035,436 | 10,781,848 |
| Business-type activities: | | | | |
| Water and sewer | 51,121,765 | 47,338,529 | - | 29,573,029 |
| Solid waste | 1,353,679 | 1,973,520 | - | - |
| Total business-type activities | 52,475,444 | 49,312,049 | - | 29,573,029 |
| Total primary government | \$ 250,496,107 | \$ 91,681,477 | \$ 2,035,436 | \$ 40,354,877 |
| Component units: | | | | |
| Health Department | \$ 1,535,387 | \$ 841,424 | \$ 1,084,842 | \$ - |
| Library System | 13,280,464 | 221,308 | 474,453 | 4,351,622 |
| Public Facilities Authority | 517,437 | 1,085,054 | - | - |
| Total component units | \$ 15,333,288 | \$ 2,147,786 | \$ 1,559,295 | \$ 4,351,622 |
| 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, restated | | | | |
| 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 |
| \$ (25,880,765) | \$ - | \$ (25,880,765) | \$ - | \$ - | \$ - |
| (9,298,707) | - | (9,298,707) | - | - | - |
| (74,392,641) | - | (74,392,641) | - | - | - |
| (5,480,298) | - | (5,480,298) | - | - | - |
| (2,806,551) | - | (2,806,551) | - | - | - |
| (17,493,124) | - | (17,493,124) | - | - | - |
| (1,803,755) | - | (1,803,755) | - | - | - |
| (5,678,110) | - | (5,678,110) | - | - | - |
| <u>(142,833,951)</u> | <u>-</u> | <u>(142,833,951)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | 25,789,793 | 25,789,793 | - | - | - |
| - | 619,841 | 619,841 | - | - | - |
| - | <u>26,409,634</u> | <u>26,409,634</u> | - | - | - |
| <u>\$ (142,833,951)</u> | <u>\$ 26,409,634</u> | <u>\$ (116,424,317)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ - | \$ - | \$ - | \$ 390,879 | \$ - | \$ - |
| - | - | - | - | (8,233,081) | - |
| - | - | - | - | - | 567,617 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 390,879</u> | <u>\$ (8,233,081)</u> | <u>\$ 567,617</u> |
| \$ 93,247,556 | \$ - | \$ 93,247,556 | \$ - | \$ - | \$ - |
| 74,445,686 | - | 74,445,686 | - | - | - |
| 10,770,960 | - | 10,770,960 | - | - | - |
| 10,968,721 | - | 10,968,721 | - | - | - |
| 2,827,891 | - | 2,827,891 | - | - | - |
| 2,217,011 | - | 2,217,011 | - | - | - |
| 4,021,511 | 1,896,653 | 5,918,164 | - | 992 | - |
| - | 32,822 | 32,822 | - | 5,847,131 | - |
| 1,559,160 | 719,302 | 2,278,462 | - | - | - |
| - | - | - | 232,858 | 28,375 | - |
| 750,000 | (750,000) | - | - | - | - |
| <u>200,808,496</u> | <u>1,898,777</u> | <u>202,707,273</u> | <u>232,858</u> | <u>5,876,498</u> | <u>-</u> |
| 57,974,545 | 28,308,411 | 86,282,956 | 623,737 | (2,356,583) | 567,617 |
| 1,087,540,144 | 496,323,043 | 1,583,863,187 | (178,078) | (1,106,460) | (4,379,757) |
| <u>\$ 1,145,514,689</u> | <u>\$ 524,631,454</u> | <u>\$ 1,670,146,143</u> | <u>\$ 445,659</u> | <u>\$ (3,463,043)</u> | <u>\$ (3,812,140)</u> |

FORSYTH COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

| ASSETS | | | | Capital | Nonmajor | Total |
|---|-----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | General | Fire District | SPLOST | Projects Fund | Governmental Funds | |
| Cash and cash equivalents | \$ 41,166,069 | \$ 27,668,181 | \$ 43,251,068 | \$ 23,875,762 | \$ 64,481,781 | \$ 200,442,861 |
| Investments | 58,361,306 | 1,391,136 | - | - | - | 59,752,442 |
| Accounts receivable | 2,301,934 | 3,010 | - | - | 1,218,136 | 3,523,080 |
| Taxes receivable | 1,859,265 | 700,109 | 3,861,100 | - | 524,218 | 6,944,692 |
| Intergovernmental receivables | 3,502,333 | - | - | - | 1,727,057 | 5,229,390 |
| Due from other funds | 7,471,311 | - | - | - | 220 | 7,471,531 |
| Inventories | 728,794 | 355,001 | - | - | - | 1,083,795 |
| Prepaid items | 245,546 | 24,297 | - | - | 59,012 | 328,855 |
| Restricted assets: | | | | | | |
| Cash | - | - | - | 5,007,408 | 39,512,868 | 44,520,276 |
| Investments | - | - | - | 6,365,011 | - | 6,365,011 |
| Advances to other funds | - | - | - | 323,958 | - | 323,958 |
| Total assets | \$ 115,636,558 | \$ 30,141,734 | \$ 47,112,168 | \$ 35,572,139 | \$ 107,523,292 | \$ 335,985,891 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 2,455,610 | \$ 51,240 | \$ 2,509,755 | \$ 824,960 | \$ 5,374,006 | \$ 11,215,571 |
| Other accrued liabilities | 2,405,318 | - | - | - | - | 2,405,318 |
| Due to other funds | 220 | - | 4,772,079 | 3,100 | 2,696,132 | 7,471,531 |
| Advances from other funds | - | 72,369 | - | - | 251,589 | 323,958 |
| Total liabilities | 4,861,148 | 123,609 | 7,281,834 | 828,060 | 8,321,727 | 21,416,378 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | 641,556 | 172,023 | - | - | 107,869 | 921,448 |
| Unavailable revenue - intergovernmental | - | - | - | - | 307,597 | 307,597 |
| Deferred revenue - property taxes | 53,136,421 | 22,593,863 | - | - | 17,184,147 | 92,914,431 |
| Total deferred inflows of resources | 53,777,977 | 22,765,886 | - | - | 17,599,613 | 94,143,476 |
| FUND BALANCES | | | | | | |
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepays | 245,546 | 24,297 | - | - | 59,012 | 328,855 |
| Inventories | 728,794 | 355,001 | - | - | - | 1,083,795 |
| Restricted: | | | | | | |
| Crime victims' assistance | - | - | - | - | 8,313 | 8,313 |
| Fire protection services | - | 6,872,941 | - | - | - | 6,872,941 |
| Law enforcement activities | - | - | - | - | 1,813,015 | 1,813,015 |
| Law library operations | - | - | - | - | 84,219 | 84,219 |
| Emergency 911 services | - | - | - | - | 2,600,459 | 2,600,459 |
| Capital projects | - | - | 39,830,334 | 11,372,419 | 61,349,524 | 112,552,277 |
| Debt service | - | - | - | - | 15,076,630 | 15,076,630 |
| Assigned: | | | | | | |
| Professional services | 229,526 | - | - | - | - | 229,526 |
| Capital projects | 1,100,008 | - | - | 23,371,660 | 610,780 | 25,082,448 |
| Supplies and materials | 201,229 | - | - | - | - | 201,229 |
| Unassigned | 54,492,330 | - | - | - | - | 54,492,330 |
| Total fund balances | 56,997,433 | 7,252,239 | 39,830,334 | 34,744,079 | 81,601,952 | 220,426,037 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 115,636,558 | \$ 30,141,734 | \$ 47,112,168 | 35,572,139 | \$ 107,523,292 | |

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. | 1,126,048,017 |
| Internal service funds are used by the County to charge cost to other funds. The assets and liabilities are included in the governmental activities. | 4,890,624 |
| Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds. | 1,229,045 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (198,648,439) |
| 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. | (2,762,043) |
| The total OPEB liability is not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds. | (5,668,552) |

Net position of governmental activities \$ 1,145,514,689

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, 2018

| | General | Fire District | SPLOST | Capital Projects Fund | Nonmajor Governmental Funds | Total |
|---|----------------------|---------------------|----------------------|-----------------------|-----------------------------|-----------------------|
| Revenues: | | | | | | |
| Taxes | \$ 102,965,358 | \$ 22,729,106 | \$ 39,479,450 | \$ - | \$ 29,168,829 | \$ 194,342,743 |
| Licenses and permits | 6,894,237 | - | - | - | 33,495 | 6,927,732 |
| Intergovernmental | 576,105 | - | - | - | 5,820,805 | 6,396,910 |
| Fines and forfeitures | 2,567,842 | - | - | - | 1,250,549 | 3,818,391 |
| Charges for services | 15,905,308 | - | - | - | 15,717,997 | 31,623,305 |
| Interest income | 1,472,400 | 242,520 | 440,026 | 980,286 | 1,326,305 | 4,461,537 |
| Contributions | 47,165 | 24,039 | - | - | 62,440 | 133,644 |
| Miscellaneous | 1,051,329 | 41,394 | - | 284,732 | 973,746 | 2,351,201 |
| Total revenues | <u>131,479,744</u> | <u>23,037,059</u> | <u>39,919,476</u> | <u>1,265,018</u> | <u>54,354,166</u> | <u>250,055,463</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 28,082,043 | - | - | 227,951 | 7,073 | 28,317,067 |
| Judicial | 13,787,584 | - | - | - | 1,124,813 | 14,912,397 |
| Public safety | 46,269,776 | 22,080,390 | - | - | 6,282,886 | 74,633,052 |
| Public works | 111,780 | - | 1,792,981 | 31,108 | 13,657,452 | 15,593,321 |
| Health and welfare | 1,916,144 | - | - | - | 1,517,620 | 3,433,764 |
| Culture and recreation | 15,793,191 | - | 260,473 | - | - | 16,053,664 |
| Housing and development | 6,970,998 | - | - | - | 763,891 | 7,734,889 |
| Intergovernmental expenditures | - | - | 6,285,427 | - | 88,586 | 6,374,013 |
| Capital outlay | - | - | 9,532,701 | 20,167,910 | 14,088,530 | 43,789,141 |
| Debt service: | | | | | | |
| Principal | 41,412 | - | - | 2,623,062 | 12,980,000 | 15,644,474 |
| Interest | 1,570 | - | - | 617,360 | 6,470,178 | 7,089,108 |
| Total expenditures | <u>112,974,498</u> | <u>22,080,390</u> | <u>17,871,582</u> | <u>23,667,391</u> | <u>56,981,029</u> | <u>233,574,890</u> |
| Excess (deficiency) of revenues over expenditures | 18,505,246 | 956,669 | 22,047,894 | (22,402,373) | (2,626,863) | 16,480,573 |
| Other financing sources (uses): | | | | | | |
| Proceeds from sale of capital assets | 86,338 | - | - | - | 83,803 | 170,141 |
| Transfers in | 2,697,553 | - | - | 15,948,775 | 1,269,494 | 19,915,822 |
| Transfers out | <u>(17,693,653)</u> | <u>(108,832)</u> | <u>-</u> | <u>-</u> | <u>(386,196)</u> | <u>(18,188,681)</u> |
| Total other financing sources (uses) | <u>(14,909,762)</u> | <u>(108,832)</u> | <u>-</u> | <u>15,948,775</u> | <u>967,101</u> | <u>1,897,282</u> |
| Net change in fund balances | 3,595,484 | 847,837 | 22,047,894 | (6,453,598) | (1,659,762) | 18,377,855 |
| Fund balances, beginning of year | <u>53,401,949</u> | <u>6,404,402</u> | <u>17,782,440</u> | <u>41,197,677</u> | <u>83,261,714</u> | <u>202,048,182</u> |
| Fund balances, end of year | <u>\$ 56,997,433</u> | <u>\$ 7,252,239</u> | <u>\$ 39,830,334</u> | <u>\$ 34,744,079</u> | <u>\$ 81,601,952</u> | <u>\$ 220,426,037</u> |

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, 2018

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|--|----------------------|
| Net change in fund balances - total governmental funds | \$ 18,377,855 |
| 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. | 17,953,304 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. | 4,622,398 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 170,133 |
| 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. | 15,644,474 |
| 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. | 787,583 |
| 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. | <u>418,798</u> |
| Change in net position - governmental activities | <u>\$ 57,974,545</u> |

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2018

| | Water & Sewerage Authority | Nonmajor Solid Waste Disposal Facility | Total | Governmental Activities Internal Service Funds |
|---|----------------------------------|---|-----------------------|---|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 70,201,842 | \$ 6,712,902 | \$ 76,914,744 | \$ 7,699,880 |
| Investments | 13,270,098 | - | 13,270,098 | 1,585,807 |
| Receivables (net of allowance for uncollectibles) | 4,963,920 | 410,597 | 5,374,517 | 1,674,200 |
| Inventories | 1,124,269 | - | 1,124,269 | 196,022 |
| Prepaid items | 3,748 | - | 3,748 | 358,660 |
| Restricted cash and cash equivalents | 6,005,824 | - | 6,005,824 | - |
| Total current assets | <u>95,569,701</u> | <u>7,123,499</u> | <u>102,693,200</u> | <u>11,514,569</u> |
| Noncurrent assets: | | | | |
| Note receivable | 68,444 | - | 68,444 | - |
| Capital assets: | | | | |
| Capital assets, not being depreciated | 134,764,231 | 589,730 | 135,353,961 | - |
| Capital assets, being depreciated | 687,827,853 | 1,499,066 | 689,326,919 | 1,101,836 |
| Less accumulated depreciation | (164,530,122) | (705,805) | (165,235,927) | (823,099) |
| Total capital assets, net of accumulated depreciation | <u>658,061,962</u> | <u>1,382,991</u> | <u>659,444,953</u> | <u>278,737</u> |
| Total assets | <u>753,700,107</u> | <u>8,506,490</u> | <u>762,206,597</u> | <u>11,793,306</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charges on refunding | 5,973,541 | - | 5,973,541 | - |
| Total deferred outflows of resources | <u>5,973,541</u> | <u>-</u> | <u>5,973,541</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 9,179,270 | 35,722 | 9,214,992 | 409,191 |
| Accrued expenses | 2,036,042 | - | 2,036,042 | - |
| Customer deposits payable | 4,334,615 | - | 4,334,615 | - |
| Unearned revenue | 33,374,023 | - | 33,374,023 | - |
| Claims payable, current | - | - | - | 4,341,260 |
| Compensated absences, current | 531,451 | 48,063 | 579,514 | 90,264 |
| Note payable, current | 326,147 | - | 326,147 | - |
| Landfill postclosure, current | - | 70,000 | 70,000 | - |
| Revenue bonds payable, current | 5,700,000 | - | 5,700,000 | - |
| Total current liabilities | <u>55,481,548</u> | <u>153,785</u> | <u>55,635,333</u> | <u>4,840,715</u> |
| Long-term liabilities: | | | | |
| Claims payable | - | - | - | 1,205,624 |
| Compensated absences | 132,863 | 12,016 | 144,879 | 22,566 |
| Note payable | 5,916,715 | - | 5,916,715 | - |
| Landfill postclosure | - | 980,000 | 980,000 | - |
| Revenue bonds payable | 181,705,534 | - | 181,705,534 | - |
| Total long-term liabilities | <u>187,755,112</u> | <u>992,016</u> | <u>188,747,128</u> | <u>1,228,190</u> |
| Total liabilities | <u>243,236,660</u> | <u>1,145,801</u> | <u>244,382,461</u> | <u>6,068,905</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 470,387,107 | 1,382,991 | 471,770,098 | 278,737 |
| Restricted for debt service | 4,322,626 | - | 4,322,626 | - |
| Unrestricted | 41,727,255 | 5,977,698 | 47,704,953 | 5,445,664 |
| Total net position | <u>\$ 516,436,988</u> | <u>\$ 7,360,689</u> | <u>523,797,677</u> | <u>\$ 5,724,401</u> |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | 833,777 | |
| Net position of business-type activities | | | <u>\$ 524,631,454</u> | |

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, 2018

| | Water & Sewerage Authority | Nonmajor Solid Waste Disposal Facility | Total | Governmental Activities Internal Service Funds |
|---|----------------------------------|---|----------------------|---|
| OPERATING REVENUES | | | | |
| Charges for services: | | | | |
| Water sales | \$ 26,360,688 | \$ - | \$ 26,360,688 | \$ - |
| Sewer sales | 17,390,785 | - | 17,390,785 | - |
| Other | 330,919 | - | 330,919 | 32,385,744 |
| Recycling and transfer fees | - | 1,973,520 | 1,973,520 | - |
| Insurance recoveries | - | - | - | 609,380 |
| Other operating income | 3,256,137 | - | 3,256,137 | 1,533 |
| Total operating revenues | <u>47,338,529</u> | <u>1,973,520</u> | <u>49,312,049</u> | <u>32,996,657</u> |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | 8,298,158 | 695,965 | 8,994,123 | 1,438,916 |
| Supplies and maintenance | 13,233,026 | 631,901 | 13,864,927 | 227,653 |
| Claims | - | - | - | 26,128,193 |
| Insurance premiums | - | - | - | 2,659,107 |
| General and administrative | - | - | - | 1,020,804 |
| Depreciation and amortization expense | 14,633,880 | 35,563 | 14,669,443 | 87,664 |
| Water purchases | 3,739,049 | - | 3,739,049 | - |
| Sewer flow costs | 4,927,204 | - | 4,927,204 | - |
| Total operating expenses | <u>44,831,317</u> | <u>1,363,429</u> | <u>46,194,746</u> | <u>31,562,337</u> |
| Operating income | 2,507,212 | 610,091 | 3,117,303 | 1,434,320 |
| NONOPERATING REVENUE (EXPENSES) | | | | |
| Investment earnings | 1,778,589 | 118,064 | 1,896,653 | 74,554 |
| Intergovernmental revenue | 32,822 | - | 32,822 | - |
| Other nonoperating revenue | - | 719,302 | 719,302 | - |
| Loss on disposal of capital assets | (2,988) | - | (2,988) | - |
| Interest expense | (6,390,645) | - | (6,390,645) | - |
| Total nonoperating revenues (expenses) | <u>(4,582,222)</u> | <u>837,366</u> | <u>(3,744,856)</u> | <u>74,554</u> |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | | | | |
| | (2,075,010) | 1,447,457 | (627,553) | 1,508,874 |
| Capital contributions | 29,573,029 | - | 29,573,029 | - |
| Transfers in | - | - | - | 648,120 |
| Transfers out | - | (750,000) | (750,000) | (1,625,261) |
| Total capital contributions and transfers | <u>29,573,029</u> | <u>(750,000)</u> | <u>28,823,029</u> | <u>(977,141)</u> |
| Change in net position | 27,498,019 | 697,457 | 28,195,476 | 531,733 |
| NET POSITION, beginning of year | <u>488,938,969</u> | <u>6,663,232</u> | | <u>5,192,668</u> |
| NET POSITION, end of year | <u>\$ 516,436,988</u> | <u>\$ 7,360,689</u> | | <u>\$ 5,724,401</u> |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | 112,935 | |
| Change in net position of business-type activities | | | <u>\$ 28,308,411</u> | |

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, 2018

| | Water & Sewerage Authority | Nonmajor Solid Waste Disposal Facility | Total | Governmental Activities Internal Service Funds |
|---|----------------------------------|---|----------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 47,322,657 | \$ 2,172,896 | \$ 49,495,553 | \$ 33,069,011 |
| Payments to suppliers and service providers | (23,585,671) | (478,036) | (24,063,707) | (30,248,497) |
| Payments to employees | (8,271,253) | (695,164) | (8,966,417) | (1,356,639) |
| Net cash provided by operating activities | <u>15,465,733</u> | <u>999,696</u> | <u>16,465,429</u> | <u>1,463,875</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Maturities of investments | 23,627,050 | - | 23,627,050 | 445,237 |
| Interest received | 1,811,125 | 118,064 | 1,929,189 | 76,601 |
| Net cash provided by investing activities | <u>25,438,175</u> | <u>118,064</u> | <u>25,556,239</u> | <u>521,838</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchases of capital assets | (52,746,968) | (92,589) | (52,839,557) | - |
| Proceeds from sale of capital assets | 31,350 | - | 31,350 | - |
| Proceeds from long-term borrowings | 165,240 | - | 165,240 | - |
| Principal payments on notes | (290,233) | - | (290,233) | - |
| Principal payments on bonds | (5,460,000) | - | (5,460,000) | - |
| Interest and fiscal charges paid | (7,400,063) | - | (7,400,063) | - |
| Intergovernmental grants received | 32,822 | - | 32,822 | - |
| Capital contributions received | 14,083,395 | - | 14,083,395 | - |
| Net cash used in capital and related financing activities | <u>(51,584,457)</u> | <u>(92,589)</u> | <u>(51,677,046)</u> | <u>-</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in | - | - | - | 648,120 |
| Transfers out | - | (750,000) | (750,000) | (1,625,261) |
| Net cash used in noncapital financing activities | <u>-</u> | <u>(750,000)</u> | <u>(750,000)</u> | <u>(977,141)</u> |
| Net increase (decrease) in cash and cash equivalents | (10,680,549) | 275,171 | (10,405,378) | 1,008,572 |
| Cash and cash equivalents: | | | | |
| Beginning of year | 86,888,215 | 6,437,731 | 93,325,946 | 6,691,308 |
| End of year | <u>\$ 76,207,666</u> | <u>\$ 6,712,902</u> | <u>\$ 82,920,568</u> | <u>\$ 7,699,880</u> |
| Classified as: | | | | |
| Cash and cash equivalents | \$ 70,201,842 | \$ 6,712,902 | \$ 76,914,744 | \$ 7,699,880 |
| Restricted cash and cash equivalents | 6,005,824 | - | 6,005,824 | - |
| Total | <u>\$ 76,207,666</u> | <u>\$ 6,712,902</u> | <u>\$ 82,920,568</u> | <u>\$ 7,699,880</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ 2,507,212 | \$ 610,091 | \$ 3,117,303 | \$ 1,434,320 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 14,633,880 | 35,563 | 14,669,443 | 87,664 |
| (Increase) decrease in accounts and notes receivable | (1,158,926) | 199,376 | (959,550) | (1,164,473) |
| Decrease in inventories | 16,287 | - | 16,287 | 50,993 |
| Decrease in prepaid expenses | 109,582 | - | 109,582 | 3,421 |
| Increase (decrease) in accounts payable | (2,090,450) | 1,960 | (2,088,490) | 21,663 |
| Increase in accrued expenses | 13,888 | - | 13,888 | - |
| Increase in customer deposits payable | 264,301 | - | 264,301 | - |
| Increase in unearned revenue | 1,143,054 | - | 1,143,054 | - |
| Increase in compensated absences | 26,905 | 801 | 27,706 | 10,493 |
| Increase in claims payable | - | - | - | 1,019,794 |
| Increase in landfill postclosure care costs | - | 151,905 | 151,905 | - |
| Net cash provided by operating activities | <u>\$ 15,465,733</u> | <u>\$ 999,696</u> | <u>\$ 16,465,429</u> | <u>\$ 1,463,875</u> |
| NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Change in landfill liability estimate | \$ - | \$ 719,302 | \$ 719,302 | \$ - |
| Capital contributions | 15,489,634 | - | 15,489,634 | - |
| Total capital and related financing activities | <u>\$ 15,489,634</u> | <u>\$ 719,302</u> | <u>\$ 16,208,936</u> | <u>\$ -</u> |

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

FORSYTH COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

| ASSETS | Agency Funds | Pension Trust Fund |
|--|-----------------------------|-----------------------------------|
| | <u> </u> | <u> </u> |
| Cash and cash equivalents | \$ 8,502,436 | \$ 672,988 |
| Mutual funds | - | 15,482,342 |
| Taxes receivable | 6,557,383 | - |
| Other receivable | - | 1,153 |
| | <u> </u> | <u> </u> |
| Total assets | <u>15,059,819</u> | <u>16,156,483</u> |
| | | |
| LIABILITIES | | |
| Due to others | 8,502,436 | - |
| Uncollected taxes | 6,557,383 | - |
| | <u> </u> | <u> </u> |
| Total liabilities | <u>15,059,819</u> | <u>-</u> |
| | | |
| NET POSITION | | |
| Net position restricted for pension benefits | <u>\$ -</u> | <u>\$ 16,156,483</u> |

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, 2018**

| | <u>Pension Trust Fund</u> |
|--|-----------------------------------|
| ADDITIONS | |
| Employer contributions | \$ 1,000,000 |
| Investment income, net of expenses | 89,476 |
| Net decrease in fair value of investments | <u>(709,387)</u> |
| Net investment income | <u>(619,911)</u> |
| | |
| Total additions | <u>380,089</u> |
| DEDUCTIONS | |
| Benefit payments | <u>1,090,880</u> |
| | |
| Total deductions | <u>1,090,880</u> |
| | |
| Change in net position | (710,791) |
| NET POSITION RESTRICTED FOR PENSION BENEFITS: | |
| Beginning of year | <u>16,867,274</u> |
| | |
| End of year | <u>\$ 16,156,483</u> |

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

FORSYTH COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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. These items are accounting for using the consumption method.

NOTES TO 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.

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

| <u>Asset Category</u> | <u>Years</u> |
|----------------------------|--------------|
| 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.

NOTES TO FINANCIAL STATEMENTS

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 (expenses/expenditures) 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 financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources (revenue) in the period in which the amounts become available.

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. Additionally, any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources. These contributions will reduce the County's net pension liability in the next fiscal period.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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, 2018, the County has reported \$1,530,763 of encumbrances as assignments of fund balance in the General Fund.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 \$198,648,439 difference are as follows:

| | |
|---|--------------------------------|
| Bonds payable | \$ (167,090,000) |
| Unamortized premiums | (19,127,477) |
| Deferred charges on refunding | 8,840,295 |
| Certificates of participation | (7,777,000) |
| Capital lease payable | (2,679,458) |
| Accrued interest | (2,397,297) |
| Compensated absences | <u>(8,417,502)</u> |
| Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i> | <u><u>\$ (198,648,439)</u></u> |

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 \$2,762,043 difference are as follows:

| | |
|---|------------------------------|
| Net pension liability | \$ (4,652,401) |
| Deferred inflows of resources - pension items | (163,619) |
| Deferred outflows of resources - pension items | <u>2,053,977</u> |
| Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i> | <u><u>\$ (2,762,043)</u></u> |

NOTES TO FINANCIAL STATEMENTS

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 \$17,953,304 difference are as follows:

| | |
|---|----------------------|
| Capital outlay | \$ 50,579,896 |
| Depreciation expense | <u>(32,626,592)</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | <u>\$ 17,953,304</u> |

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 \$4,622,398 difference are as follows:

| | |
|---|---------------------|
| Disposal of capital assets | \$ (397,214) |
| Donations of capital assets | <u>5,019,612</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | <u>\$ 4,622,398</u> |

NOTES TO FINANCIAL STATEMENTS

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 “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 \$787,583 difference are as follows:

| | |
|---|--------------------------|
| Compensated absences | \$ (753,414) |
| Change in OPEB expense | 72,222 |
| Change in pension expense | 57,776 |
| Amortization | 1,377,505 |
| Accrued interest | <u>33,494</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | <u><u>\$ 787,583</u></u> |

Another element of the reconciliation states that “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.” The details of this \$15,644,474 difference are as follows:

| | |
|---|-----------------------------|
| Principal repayments on bonds payable | \$ 12,980,000 |
| Principal repayments on capital leases | <u>2,664,474</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | <u><u>\$ 15,644,474</u></u> |

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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.

Custodial credit risk. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2018, the County had deposits with three (3) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. Additionally, the County had deposits with one (1) financial institution collateralized by pledged securities, as defined above, such that all of the County's deposits with financial institutions as of December 31, 2018 were insured and/or collateralized as required by State statutes.

NOTES TO FINANCIAL STATEMENTS

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, 2018, 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 | 21 days | AAAf | \$ 114,389,483 |
| Morgan Stanley Institutional Liquidity | 31 days | AAAm | 5,007,408 |
| Fidelity Institutional Treasury MM | 20 days | (a) | 33,884,042 |
| Wells Fargo Plus MM Institutional | 32 days | (a) | 17,242,538 |
| United States Treasuries | 197 days | AAA | 24,580,470 |
| Certificates of deposit | 1.00 years | (a) | 3,148,585 |
| Government Sponsored Entities | 1.41 years | AAA | 46,879,292 |
| Guaranteed Investment Contract | 9.42 years | (b) | 6,365,011 |
| | | | <u>\$ 251,496,829</u> |

(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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The County has the following recurring fair value measurements as of December 31, 2018:

| Investment | Level 1 | Level 2 | Fair Value |
|--|---------------|---------------|----------------|
| Money Market Mutual Funds | \$ 56,133,988 | \$ - | \$ 56,133,988 |
| United States Treasuries | 24,580,470 | - | 24,580,470 |
| Government Sponsored Entities | 12,404,637 | 34,474,655 | 46,879,292 |
| Total investments measured at fair value | \$ 93,119,095 | \$ 34,474,655 | 127,593,750 |
| Investments not subject to level disclosure: | | | |
| Georgia Fund 1 | | | 114,389,483 |
| Investments carried at cost: | | | |
| Guaranteed Investment Contract | | | 6,365,011 |
| Certificates of Deposit | | | 3,148,585 |
| Total Investments | | | \$ 251,496,829 |
| Fair market hedging derivative: | | | |
| Interest rate swap agreement | \$ - | \$ 1,620,452 | \$ 1,620,452 |

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

At December 31, 2018, the Plan had \$16,155,329 invested in the following types of investments:

| Investment | Maturity | | Fair Value |
|----------------------------|----------------------|---------------|----------------------|
| | Less than 1 year | Credit Rating | |
| Collective Funds - Pension | \$ 13,596,542 | (a) | \$ 13,596,542 |
| Mutual Funds - Pension | 1,885,800 | (b) | 1,885,800 |
| | <u>\$ 15,482,342</u> | | <u>\$ 15,482,342</u> |

(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, 2018, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Plan (Continued)

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, 2018:

| <u>Investment</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Fair Value</u> |
|---|----------------------|-------------------|----------------------|
| Mutual Funds | \$ 1,885,800 | \$ - | \$ 1,885,800 |
| Collective Funds | <u>12,782,211</u> | <u>814,331</u> | <u>13,596,542</u> |
| Total investments measured at fair value | <u>\$ 14,668,011</u> | <u>\$ 814,331</u> | <u>\$ 15,482,342</u> |

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.

Rate of return. For the year ended December 31, 2018, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at December 31, 2018, 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 | \$ 1,859,265 | \$ 700,109 | \$ 3,861,100 |
| Other governments | 3,502,333 | - | - |
| Accounts | 2,301,934 | 3,010 | - |
| Gross receivables | 7,663,532 | 703,119 | 3,861,100 |
| Less allowance for uncollectibles | - | - | - |
| Net receivables | \$ 7,663,532 | \$ 703,119 | \$ 3,861,100 |
| | Nonmajor Governmental Funds | Water & Sewerage Authority | Nonmajor Proprietary Fund |
| Receivables: | | | |
| Taxes | \$ 524,218 | \$ - | \$ - |
| Other governments | 1,727,057 | - | - |
| Accounts | 1,218,136 | 5,217,456 | 410,597 |
| Gross receivables | 3,469,411 | 5,217,456 | 410,597 |
| Less allowance for uncollectibles | - | (253,536) | - |
| Net receivables | \$ 3,469,411 | \$ 4,963,920 | \$ 410,597 |

Property taxes for the 2018 fiscal year were levied on July 21, 2017, with property values assessed as of January 1, 2017. Bills are payable on or before November 15, 2017 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, 2017. Property taxes levied during 2018 are for fiscal year 2019. Amounts recorded as a receivable and amounts collected as of December 31, 2018 related to these taxes are recorded as deferred inflows of resources – deferred revenue in both the fund-level and government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2018 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|---------------------|---------------------|---------------------------|
| Governmental Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land and improvements | \$ 448,998,057 | \$ 4,527,488 | \$ - | \$ 10,117,324 | \$ 463,642,869 |
| Infrastructure land improvements | 170,050,487 | - | (5,733) | - | 170,044,754 |
| Construction in progress | 33,254,014 | 39,937,532 | - | (31,767,375) | 41,424,171 |
| Total capital assets, not being depreciated | <u>652,302,558</u> | <u>44,465,020</u> | <u>(5,733)</u> | <u>(21,650,051)</u> | <u>675,111,794</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings and improvements | 262,576,505 | 434,858 | - | 6,644,849 | 269,656,212 |
| Machinery and equipment | 67,495,934 | 2,116,509 | (13,953,448) | - | 55,658,995 |
| Vehicles | 32,897,351 | 4,093,098 | (1,695,127) | 65,204 | 35,360,526 |
| Infrastructure | 394,189,324 | 4,490,023 | - | 14,939,998 | 413,619,345 |
| Total capital assets, being depreciated | <u>757,159,114</u> | <u>11,134,488</u> | <u>(15,648,575)</u> | <u>21,650,051</u> | <u>774,295,078</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (45,359,635) | (6,184,293) | - | - | (51,543,928) |
| Machinery and equipment | (41,448,704) | (5,986,705) | 13,715,178 | - | (33,720,231) |
| Vehicles | (22,296,011) | (3,676,994) | 1,537,567 | - | (24,435,438) |
| Infrastructure | (196,518,606) | (16,861,915) | - | - | (213,380,521) |
| Total accumulated depreciation | <u>(305,622,956)</u> | <u>(32,709,907)</u> | <u>15,252,745</u> | <u>-</u> | <u>(323,080,118)</u> |
| Total capital assets, being depreciated, net | <u>451,536,158</u> | <u>(21,575,419)</u> | <u>(395,830)</u> | <u>21,650,051</u> | <u>451,214,960</u> |
| Governmental activities capital assets, net | <u>\$ 1,103,838,716</u> | <u>\$ 22,889,601</u> | <u>\$ (401,563)</u> | <u>\$ -</u> | <u>\$ 1,126,326,754</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|--------------------|---------------------|---------------------------|
| Business-type Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 30,333,850 | \$ - | \$ - | \$ - | \$ 30,333,850 |
| Sewer capacity rights | 8,294,349 | 65,600 | - | - | 8,359,949 |
| Construction in progress | 60,325,151 | 51,734,674 | (34,008) | (15,365,655) | 96,660,162 |
| Total capital assets, not being depreciated | <u>98,953,350</u> | <u>51,800,274</u> | <u>(34,008)</u> | <u>(15,365,655)</u> | <u>135,353,961</u> |
| Capital assets, being depreciated: | | | | | |
| Land improvements | 392,643 | - | - | - | 392,643 |
| Buildings and improvements | 65,551,076 | - | - | 61,833 | 65,612,909 |
| Machinery and equipment | 7,508,856 | 255,195 | (63,381) | - | 7,700,670 |
| Vehicles | 3,332,385 | 318,386 | (267,146) | - | 3,383,625 |
| Sewer capacity rights | 14,609,550 | - | - | - | 14,609,550 |
| Infrastructure | 566,368,364 | 15,955,336 | - | 15,303,822 | 597,627,522 |
| Total capital assets, being depreciated | <u>657,762,874</u> | <u>16,528,917</u> | <u>(330,527)</u> | <u>15,365,655</u> | <u>689,326,919</u> |
| Less accumulated depreciation for: | | | | | |
| Land improvements | (186,534) | (5,619) | - | - | (192,153) |
| Buildings and improvements | (4,535,562) | (1,322,606) | - | - | (5,858,168) |
| Machinery and equipment | (4,378,565) | (301,563) | 63,051 | - | (4,617,077) |
| Vehicles | (2,089,172) | (281,281) | 267,146 | - | (2,103,307) |
| Sewer capacity rights | (9,112,041) | (1,113,537) | - | - | (10,225,578) |
| Infrastructure | (130,608,464) | (11,631,180) | - | - | (142,239,644) |
| Total accumulated depreciation | <u>(150,910,338)</u> | <u>(14,655,786)</u> | <u>330,197</u> | <u>-</u> | <u>(165,235,927)</u> |
| Total capital assets, being depreciated, net | <u>506,852,536</u> | <u>1,873,131</u> | <u>(330)</u> | <u>15,365,655</u> | <u>524,090,992</u> |
| Business-type activities capital assets, net | <u>\$ 605,805,886</u> | <u>\$ 53,673,405</u> | <u>\$ (34,338)</u> | <u>\$ -</u> | <u>\$ 659,444,953</u> |

NOTES TO FINANCIAL STATEMENTS

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 | \$ 3,431,116 |
| Judicial | 368,695 |
| Public safety | 8,617,267 |
| Public works | 15,443,502 |
| Health and welfare | 92,365 |
| Culture and recreation | 4,538,040 |
| Housing and development | 218,922 |
| Total depreciation expense - governmental activities | <u>\$32,709,907</u> |
| Business-type activities: | |
| Water and Sewerage Authority | \$ 14,620,223 |
| Solid Waste Disposal Facility | 35,563 |
| Total depreciation expense - business-type activities | <u>\$ 14,655,786</u> |

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2018, was as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-----------------------------|-----------------------------|---------------------|
| General Fund | Nonmajor Governmental funds | \$ 2,696,132 |
| General Fund | Capital Projects Fund | 3,100 |
| General Fund | SPLOST | 4,772,079 |
| Nonmajor Governmental funds | General Fund | 220 |
| | | <u>\$ 7,471,531</u> |

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.

NOTES TO FINANCIAL STATEMENTS

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

Advances to/from other funds:

| Advance to | Advance from | Amount |
|-----------------------------|-----------------------|------------|
| Fire Fund | Capital Projects Fund | \$ 72,369 |
| Nonmajor governmental funds | Capital Projects Fund | 251,589 |
| | | \$ 323,958 |

The amounts payable from the nonmajor governmental funds and Fire Fund relate to equipment purchases made by 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, 2018 were as follows:

| Transfers In | Transfers Out | Amount |
|-----------------------------|-----------------------------|---------------|
| General Fund | Nonmajor enterprise funds | \$ 750,000 |
| General Fund | Nonmajor governmental funds | 322,292 |
| General Fund | Internal service funds | 1,625,261 |
| | | \$ 2,697,553 |
| Internal service funds | General Fund | \$ 648,120 |
| Capital Projects Fund | General Fund | \$ 15,948,775 |
| Nonmajor governmental funds | General Fund | \$ 1,096,758 |
| Nonmajor governmental funds | Fire Fund | 108,832 |
| Nonmajor governmental funds | Nonmajor governmental funds | 63,904 |
| | | \$ 1,269,494 |

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2018:

| | Restated Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------------------|----------------------|------------------------|-----------------------|------------------------|
| Governmental Activities: | | | | | |
| Bonds payable | \$ 180,070,000 | \$ - | \$ (12,980,000) | \$ 167,090,000 | \$ 12,190,000 |
| Plus: Premiums | 21,608,284 | - | (2,480,807) | 19,127,477 | - |
| Total bonds payable | 201,678,284 | - | (15,460,807) | 186,217,477 | 12,190,000 |
| Capital leases payable | 5,343,932 | - | (2,664,474) | 2,679,458 | 2,679,458 |
| Certificates of participation | 7,777,000 | - | - | 7,777,000 | - |
| Total OPEB liability | 5,740,774 | 497,720 | (569,942) | 5,668,552 | - |
| Net pension liability | 2,362,996 | 3,289,405 | (1,000,000) | 4,652,401 | - |
| Compensated absences | 7,766,424 | 8,738,282 | (7,614,374) | 8,530,332 | 6,822,266 |
| Claims payable | 4,527,090 | 26,359,990 | (25,340,196) | 5,546,884 | 4,341,260 |
| Governmental activities long-term liabilities | <u>\$ 235,196,500</u> | <u>\$ 38,885,397</u> | <u>\$ (52,649,793)</u> | <u>\$ 221,072,104</u> | <u>\$ 26,032,984</u> |
| Business-type Activities: | | | | | |
| Bonds payable | \$ 177,495,000 | \$ - | \$ (5,460,000) | \$ 172,035,000 | \$ 5,700,000 |
| Plus: Premiums | 16,876,004 | - | (1,505,470) | 15,370,534 | - |
| Total bonds payable | 194,371,004 | - | (6,965,470) | 187,405,534 | 5,700,000 |
| Note payable | 6,367,855 | 165,240 | (290,233) | 6,242,862 | 326,147 |
| Landfill postclosure costs | 1,617,397 | - | (567,397) | 1,050,000 | 70,000 |
| Compensated absences | 696,688 | 744,805 | (717,099) | 724,393 | 579,514 |
| Business-type activities long-term liabilities | <u>\$ 203,052,944</u> | <u>\$ 910,045</u> | <u>\$ (8,540,199)</u> | <u>\$ 195,422,789</u> | <u>\$ 6,675,661</u> |

For governmental activities, compensated absences and claims and judgments are being liquidated primarily by the General Fund. The total OPEB liability 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. The beginning balance for the total OPEB liability has been restated as a result of the implementation of GASB Statement No. 75. See footnotes 11 and 16 for further discussion.

NOTES TO FINANCIAL STATEMENTS

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, 2018, 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.

NOTES TO FINANCIAL STATEMENTS

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, 2018.

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

| Year ending December 31, | Principal | Interest | Total |
|-----------------------------|-----------------------|----------------------|-----------------------|
| 2019 | \$ 12,190,000 | \$ 6,964,026 | \$ 19,154,026 |
| 2020 | 10,620,000 | 6,655,090 | 17,275,090 |
| 2021 | 8,450,000 | 6,274,194 | 14,724,194 |
| 2022 | 9,000,000 | 5,858,469 | 14,858,469 |
| 2023 | 9,590,000 | 5,427,569 | 15,017,569 |
| 2024-2028 | 67,965,000 | 18,152,469 | 86,117,469 |
| 2029-2033 | 34,035,000 | 5,203,084 | 39,238,084 |
| 2034-2035 | 15,240,000 | 499,363 | 15,739,363 |
| Total | <u>\$ 167,090,000</u> | <u>\$ 55,034,264</u> | <u>\$ 222,124,264</u> |

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.

NOTES TO FINANCIAL STATEMENTS

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 required 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, 2018, the floating rate being paid by the County is 2.02% and the fair value of this agreement is \$1,620,452, a decrease of \$270,333 from the prior year. The fair value of the hedge was determined using settlement prices at the end of the day on December 31, 2018 based on the derivative contract.

NOTES TO FINANCIAL STATEMENTS

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, | | | |
| 2019 | \$ - | \$ 369,408 | \$ 369,408 |
| 2020 | - | 369,408 | 369,408 |
| 2021 | - | 369,408 | 369,408 |
| 2022 | - | 369,408 | 369,408 |
| 2023 | - | 369,408 | 369,408 |
| 2024-2028 | <u>7,777,000</u> | <u>1,662,336</u> | <u>9,439,336</u> |
| Total | <u><u>\$ 7,777,000</u></u> | <u><u>\$ 3,509,376</u></u> | <u><u>\$ 11,286,376</u></u> |

Capital Leases – Equipment. The County has entered into a lease agreement as lessee to finance the acquisition of telecommunications equipment and radios for use in general governmental activities. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease terms) and, therefore has been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The lease is for a period ranging of three years, and bears interest at a rate of 2.15%. As of December 31, 2018, the County had \$9,870,426 of machinery and equipment with accumulated amortization of \$2,056,339 financed with capital leases. The leased assets' annual amortization expense is reported with depreciation expense.

At December 31, 2018, future lease payments for the capital leases payable are as follows:

| | Governmental Activities |
|--|------------------------------------|
| Year Ending December 31, | |
| 2019 | <u>\$ 2,737,067</u> |
| Total minimum lease payments | 2,737,067 |
| Less amount representing interest | 57,610 |
| Present value of future minimum lease payments | <u><u>\$ 2,679,457</u></u> |

NOTES TO FINANCIAL STATEMENTS

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 2.36% and the bonds mature April 1, 2035. The current outstanding amount of debt considered legally defeased equals \$30,320,000 as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

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, 2018, \$39,425,000 of the defeased 2007 Bonds remain outstanding.

NOTES TO FINANCIAL STATEMENTS

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 |
|-----------------------------|-----------------------|----------------------|-----------------------|
| 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 | 6,750,000 | 5,710,921 | 12,460,921 |
| 2024-2028 | 38,445,000 | 23,377,457 | 61,822,457 |
| 2029-2033 | 49,640,000 | 14,028,742 | 63,668,742 |
| 2034-2038 | 36,070,000 | 6,635,476 | 42,705,476 |
| 2039-2043 | 13,700,000 | 2,574,500 | 16,274,500 |
| 2044 | 3,175,000 | 79,375 | 3,254,375 |
| Total | <u>\$ 172,035,000</u> | <u>\$ 77,987,455</u> | <u>\$ 250,022,455</u> |

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 September 1, 2038.

In 2014, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of various water and sewer projects for \$800,000, with an interest rate of 1.0%. Principal and interest payments are due at the beginning of each month beginning October 1, 2018 through September 1, 2038.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable (Continued). The debt service requirements to maturity are as follows:

| <u>Year ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|---------------------|---------------------|---------------------|
| 2019 | \$ 326,147 | \$ 167,338 | \$ 493,485 |
| 2020 | 335,325 | 158,159 | 493,484 |
| 2021 | 344,776 | 148,709 | 493,485 |
| 2022 | 353,250 | 138,980 | 492,230 |
| 2023 | 356,850 | 129,103 | 485,953 |
| 2024-2028 | 1,941,595 | 488,170 | 2,429,765 |
| 2029-2033 | 2,233,841 | 195,925 | 2,429,766 |
| 2034-2038 | 351,078 | 5,902 | 356,980 |
| Total | <u>\$ 6,242,862</u> | <u>\$ 1,432,286</u> | <u>\$ 7,675,148</u> |

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, 2018, the County has 15 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately \$1,050,000 over the 15-year period. These costs are based on what it would cost to perform all post-closure care in 2019, adjusted annually for the remaining period. 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, 2018 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|----------------------------------|------------------------------|------------------|-----------------------|---------------------------|--------------------------------|
| Revenue bonds | \$ 24,145,000 | \$ - | \$ (1,225,000) | \$ 22,920,000 | \$ 1,290,000 |
| Original issue premium | 4,379,757 | - | (567,617) | 3,812,140 | - |
| Total revenue bonds payable, net | <u>\$ 28,524,757</u> | <u>\$ -</u> | <u>\$ (1,792,617)</u> | <u>\$ 26,732,140</u> | <u>\$ 1,290,000</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

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.

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 |
|-------------------------------------|----------------------|---------------------|----------------------|
| 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 | 1,575,000 | 762,075 | 2,337,075 |
| 2024-2028 | 9,170,000 | 2,513,000 | 11,683,000 |
| 2039-2031 | 6,605,000 | 403,300 | 7,008,300 |
| Total | <u>\$ 22,920,000</u> | <u>\$ 7,458,675</u> | <u>\$ 30,378,675</u> |

NOTES TO FINANCIAL STATEMENTS

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, 2019, the most recent actuarial valuation date, the plan membership included the following categories of participants:

| | |
|---|-----------|
| Retirees and beneficiaries receiving benefits | 55 |
| Terminated vested participants not yet receiving benefits | 3 |
| Active participants | 21 |
| | <u>79</u> |

NOTES TO FINANCIAL STATEMENTS

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, 2018, the County's contribution rate was 60.3 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. An expected total pension liability as of December 31, 2018 was determined using standard roll-forward techniques.

Actuarial Assumptions. The total pension liability in the January 1, 2018 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.

NOTES TO FINANCIAL STATEMENTS

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, 2018 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.

NOTES TO FINANCIAL STATEMENTS

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, 2018 were as follows:

| | Liability (a) | Net Position (b) | Liability (a) - (b) |
|---|------------------|---------------------|------------------------|
| Balances at 12/31/2017 | \$ 19,230,270 | \$ 16,867,274 | \$ 2,362,996 |
| Changes for the year: | | | |
| Service cost | 144,052 | - | 144,052 |
| Interest | 1,296,817 | - | 1,296,817 |
| Differences between expected and actual experience | 478,588 | - | 478,588 |
| Changes in assumptions | 750,037 | | 750,037 |
| Contributions—employer | - | 1,000,000 | (1,000,000) |
| Net investment loss | - | (619,911) | 619,911 |
| Benefit payments, including refunds of employee contributions | (1,090,880) | (1,090,880) | - |
| Net changes | 1,578,614 | (710,791) | 2,289,405 |
| Balances at 12/31/2018 | \$ 20,808,884 | \$ 16,156,483 | \$ 4,652,401 |

As of December 31, 2018, the Plan's fiduciary net position as a percentage of the total pension liability is 77.6%.

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%) |
|------------------------|-------------------------------------|------------------------|
| \$ 6,984,304 | \$ 4,562,401 | \$ 2,675,213 |

NOTES TO FINANCIAL STATEMENTS

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, 2018 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, 2018, the County recognized pension expense of \$942,224. At December 31, 2018, 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 | \$ 454,481 | \$ 163,619 |
| Changes in assumptions | 890,449 | - |
| Net difference between projected and actual earnings on pension plan investments | 709,047 | - |
| Total | \$ 2,053,977 | \$ 163,619 |

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: | |
|--------------------------|--------------|
| 2019 | \$ 827,013 |
| 2020 | 234,887 |
| 2021 | 314,830 |
| 2022 | 500,787 |
| 2023 | 12,841 |
| Total | \$ 1,890,358 |

NOTES TO FINANCIAL STATEMENTS

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, 2018, there were 1,416 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, 2018, employee contributions were \$5,884,322 and County contributions were \$5,000,869. 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 Administration and Benefits. The County, as authorized by the County Commission, administers a single-employer defined benefit Post-employment Healthcare Benefits Plan (the "PHCB Plan"). The PHCB Plan is administered by the County management, under the direction of the County's Board of Commissioners. The County pays an explicit subsidy equal to the difference between the claims incurred (for the Aetna plans) or the monthly premium charged by the insurance carrier (for the Kaiser and vision plans). To be eligible for these benefits, the employee's age plus years of service must equal to at least seventy-five (75) or be aged sixty (60) years with at least five years of service. The County's Board of Commissioners established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the PHCB Plan.

Plan Membership. Membership of the PHCB Plan consisted of the following at December 31, 2018, the date of the latest actuarial valuation:

| | |
|---|---------------------|
| Active participants | 1,084 |
| Retirees and beneficiaries currently receiving benefits | <u>31</u> |
| Total | <u><u>1,115</u></u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the County. Effective January 1, 2018, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the County's accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

Contributions. The Board of Commissioners has elected to fund the PHCB plan on a "pay as you go" basis. Plan members, once retired, contribute to the plan based on number of years of creditable service. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan which are not paid by the retiree. For the year ended December 31, 2018, the County contributed \$569,942 for the pay as you go benefits for the PHCB Plan.

The County's total OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018 with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------|---------------------------------------|
| Discount Rate: | 3.64% |
| Healthcare Cost Trend Rate: | 8.00% - 5.00%, Ultimate Trend in 2024 |
| Inflation Rate: | Not available |
| Salary increase: | 3.25% including inflation |
| Participation rate: | Not available |

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Discount rate. The discount rate used to measure the total OPEB liability was 3.64%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.64% as determined by the Bond Buyer 20-Bond GO Index Rate as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the County. The changes in the total OPEB liability of the County for the year ended December 31, 2018, were as follows:

| | Total OPEB Liability (a) |
|------------------------------|---|
| Balances at 12/31/17 | \$ 5,740,774 |
| Changes for the year: | |
| Service cost | 288,533 |
| Interest | 209,187 |
| Benefit payments | (569,942) |
| Net changes | (72,222) |
| Balances at 12/31/18 | \$ 5,668,552 |

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current discount rate:

| | 1% Decrease (2.64%) | Discount Rate (3.64%) | 1% Increase (4.64%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 6,104,092 | \$ 5,668,552 | \$ 6,274,777 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7% decreasing to 4%) or 1-percentage-point higher (9% decreasing to 6%) than the current healthcare cost trend rates:

| | 1% Decrease (7% decreasing to 4%) | Healthcare Rate (8% decreasing to 5%) | 1% Increase (9% decreasing to 6%) |
|----------------------|---|---|---|
| Total OPEB liability | \$ 5,142,632 | \$ 5,668,552 | \$ 6,286,227 |

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (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 revisions 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, 2018 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2018, the County recognized OPEB expense of \$72,222. At December 31, 2018, the County reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

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, 2018, 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).

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

Medical Self-Insurance (Continued)

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 |
|----------------|--|--|----------------|------------------------------------|
| 2018 | \$ 2,647,090 | \$ 22,754,775 | \$ 22,004,982 | \$ 3,396,884 |
| 2017 | 3,476,402 | 21,624,699 | 22,454,011 | 2,647,090 |

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.

The County has purchased commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2018, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

General Liability (Continued)

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.

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, 2018, an actuary determined that an estimated \$610,610 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2018 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 |
|----------------|--|--|----------------|------------------------------------|
| 2018 | \$ 740,000 | \$ 2,409,821 | \$ 2,259,821 | \$ 890,000 |
| 2017 | 570,000 | 1,551,405 | 1,381,405 | 740,000 |

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2018, the County has contractual commitments on uncompleted contracts of approximately \$67,672,991.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2018, the County paid \$238,396 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, 2018, the County collected \$623,129 in revenues. Of this amount \$623,129 or 100.0%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENTS

For the year ended December 31, 2018, The County has determined a restatement to beginning net position was required in the County's governmental activities for the implementation of GASB Statement No. 75, which requires retroactive reporting of opening balances. The effect of the restatement resulted in a change to beginning net position of the governmental activities as follows:

| | Governmental Activities |
|---|------------------------------------|
| Net Position, governmental activities, as previously reported | \$ 1,091,052,084 |
| Restatement for implementation of GASB Statement No. 75: | |
| Total OPEB liability as of December 31, 2017 | (5,740,774) |
| Removal of prior Net OPEB obligation reported December 31, 2017 | 2,228,834 |
| Net Position, governmental activities, as restated | \$ 1,087,540,144 |

The County's component unit, Forsyth County Health Department, has determined a restatement to beginning net position was required for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which requires retroactive reporting of opening balances. The effect of the restatement resulted in a change to beginning net position as follows:

| | |
|---|--------------|
| Net Position, as previously reported | \$ 822,787 |
| Restatement for implementation of GASB Statement No. 75: | |
| Net OPEB liability, beginning balance | (1,137,263) |
| Deferred outflows of resources, OPEB related items, beginning balance | 136,398 |
| Net Position, as restated | \$ (178,078) |

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENTS (CONTINUED)

The County's component unit, Forsyth County Public Library, has determined a restatement to beginning net position was required for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which requires retroactive reporting of opening balances. The effect of the restatement resulted in a change to beginning net position as follows:

| | |
|---|-----------------------|
| Net Position, as previously reported | \$ 1,973,189 |
| Restatement for implementation of GASB Statement No. 75: | |
| Library's net OPEB liability, beginning balance | (3,186,510) |
| Deferred outflows of resources, OPEB related items, beginning balance | 106,861 |
| Net Position, as restated | <u>\$ (1,106,460)</u> |

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REQUIRED SUPPLEMENTARY INFORMATION

2018 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**



FORSYTH COUNTY, GEORGIA

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|------------------------------------|--------------------|--------------------|--------------------|----------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 97,383,391 | \$ 99,583,997 | \$ 102,965,358 | \$ 3,381,361 |
| Licenses and permits | 7,000,720 | 7,000,720 | 6,894,237 | (106,483) |
| Intergovernmental | 535,900 | 535,900 | 576,105 | 40,205 |
| Fines and forfeitures | 2,414,600 | 2,324,600 | 2,567,842 | 243,242 |
| Charges for services | 14,631,236 | 15,411,911 | 15,905,308 | 493,397 |
| Interest income | 400,000 | 400,000 | 1,472,400 | 1,072,400 |
| Contributions | 3,500 | 17,010 | 47,165 | 30,155 |
| Miscellaneous | 1,268,675 | 1,383,064 | 1,051,329 | (331,735) |
| Total revenues | <u>123,638,022</u> | <u>126,657,202</u> | <u>131,479,744</u> | <u>4,822,542</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Board of commissioners | 1,531,100 | 1,162,120 | 1,105,252 | 56,868 |
| Administration | 1,321,900 | 1,398,212 | 1,337,403 | 60,809 |
| Voter registration | 1,092,200 | 1,103,125 | 894,819 | 208,306 |
| Finance | 1,580,400 | 1,632,874 | 1,378,107 | 254,767 |
| Payroll | 255,100 | 260,195 | 250,843 | 9,352 |
| Procurement | 868,400 | 892,931 | 849,446 | 43,485 |
| Information system and technology | 4,509,300 | 4,599,461 | 4,203,872 | 395,589 |
| GIS | 1,256,500 | 1,299,102 | 1,184,182 | 114,920 |
| Personnel services | 953,000 | 983,559 | 789,752 | 193,807 |
| Tax commissioner | 3,886,200 | 3,977,791 | 3,900,385 | 77,406 |
| Tax assessor | 3,005,700 | 3,077,615 | 2,989,100 | 88,515 |
| Records management | 1,092,200 | 790,796 | 790,402 | 394 |
| Public facilities | 5,952,800 | 6,062,049 | 5,405,806 | 656,243 |
| Planning and community development | 36,900 | 55,709 | 55,439 | 270 |
| Other | 9,138,172 | 6,055,831 | 2,947,235 | 3,108,596 |
| Total general government | <u>36,479,872</u> | <u>33,351,370</u> | <u>28,082,043</u> | <u>5,269,327</u> |
| Judicial: | | | | |
| Judicial administration | 649,200 | 660,206 | 565,728 | 94,478 |
| Superior court | 597,800 | 609,816 | 568,536 | 41,280 |
| Clerk superior court | 3,122,400 | 3,198,269 | 2,988,872 | 209,397 |
| District attorney | 898,800 | 932,947 | 915,987 | 16,960 |
| State court | 1,011,100 | 1,029,681 | 1,010,417 | 19,264 |
| Magistrate court | 1,124,200 | 1,137,996 | 1,120,044 | 17,952 |
| Probate court | 1,230,700 | 1,280,638 | 1,122,432 | 158,206 |
| Juvenile court | 1,863,300 | 1,932,887 | 1,922,617 | 10,270 |
| Solicitor-state court | 1,729,600 | 1,781,277 | 1,737,861 | 43,416 |
| Indigent defense | 1,747,800 | 1,769,557 | 1,571,090 | 198,467 |
| Pretrial services | 258,200 | 266,741 | 264,000 | 2,741 |
| Total judicial | <u>14,233,100</u> | <u>14,600,015</u> | <u>13,787,584</u> | <u>812,431</u> |
| Public safety: | | | | |
| Sheriff's office | 43,248,700 | 44,914,859 | 43,753,176 | 1,161,683 |
| Ambulance services | 885,000 | 885,000 | 885,000 | - |
| Dispatchers | 425,800 | 442,812 | 315,400 | 127,412 |
| Coroner and medical examiner | 268,150 | 268,150 | 258,816 | 9,334 |
| Animal shelter | 1,073,800 | 1,094,218 | 1,057,384 | 36,834 |
| Total public safety | <u>45,901,450</u> | <u>47,605,039</u> | <u>46,269,776</u> | <u>1,335,263</u> |
| Public works: | | | | |
| Fleet maintenance | 123,400 | 123,400 | 111,780 | 11,620 |
| Total public works | <u>123,400</u> | <u>123,400</u> | <u>111,780</u> | <u>11,620</u> |

(Continued)

FORSYTH COUNTY, GEORGIA

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|--------------------------|--------------------------|--------------------------|----------------------------------|
| | Original | Final | | |
| Expenditures: (Continued) | | | | |
| Health and welfare: | | | | |
| Health department | \$ 150,700 | \$ 155,632 | \$ 150,818 | \$ 4,814 |
| Senior citizens center | 1,836,200 | 1,940,355 | 1,755,176 | 185,179 |
| Community service | 20,800 | 20,800 | 10,150 | 10,650 |
| Total health and welfare | <u>2,007,700</u> | <u>2,116,787</u> | <u>1,916,144</u> | <u>200,643</u> |
| Culture and recreation: | | | | |
| Parks and recreation | 10,088,500 | 10,298,197 | 9,600,618 | 697,579 |
| Library | 6,020,600 | 6,225,811 | 6,192,573 | 33,238 |
| Total culture and recreation | <u>16,109,100</u> | <u>16,524,008</u> | <u>15,793,191</u> | <u>730,817</u> |
| Housing and development: | | | | |
| Conservation | 109,100 | 118,691 | 118,689 | 2 |
| Planning and community development | 6,372,100 | 6,746,927 | 5,756,366 | 990,561 |
| Code enforcement | 708,200 | 740,246 | 739,631 | 615 |
| Economic development | 360,000 | 360,000 | 356,312 | 3,688 |
| Total housing and development | <u>7,549,400</u> | <u>7,965,864</u> | <u>6,970,998</u> | <u>994,866</u> |
| Debt service: | | | | |
| Principal | 43,000 | 41,412 | 41,412 | - |
| Interest | - | 1,570 | 1,570 | - |
| Total debt service | <u>43,000</u> | <u>42,982</u> | <u>42,982</u> | <u>-</u> |
| Total expenditures | <u>122,447,022</u> | <u>122,329,465</u> | <u>112,974,498</u> | <u>9,354,967</u> |
| Excess of revenues over expenditures | 1,191,000 | 4,327,737 | 18,505,246 | 14,177,509 |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 50,000 | 50,000 | 86,338 | 36,338 |
| Transfers in | 2,650,000 | 2,650,000 | 2,697,553 | 47,553 |
| Transfers out | (5,456,500) | (19,170,746) | (17,693,653) | 1,477,093 |
| Total other financing sources (uses) | <u>(2,756,500)</u> | <u>(16,470,746)</u> | <u>(14,909,762)</u> | <u>1,560,984</u> |
| Net change in fund balances | (1,565,500) | (12,143,009) | 3,595,484 | 15,738,493 |
| Fund balances, beginning of year | <u>53,401,949</u> | <u>53,401,949</u> | <u>53,401,949</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 51,836,449</u> | <u>\$ 41,258,940</u> | <u>\$ 56,997,433</u> | <u>\$ 15,738,493</u> |

FORSYTH COUNTY, GEORGIA
FIRE DISTRICT FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Budget | | Actual | Variance With Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 22,539,600 | \$ 22,539,600 | \$ 22,729,106 | \$ 189,506 |
| Interest income | 32,000 | 32,000 | 242,520 | 210,520 |
| Contributions | 2,700 | 26,639 | 24,039 | (2,600) |
| Miscellaneous | 43,000 | 43,000 | 41,394 | (1,606) |
| Total revenues | <u>22,617,300</u> | <u>22,641,239</u> | <u>23,037,059</u> | <u>395,820</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 22,121,459 | 23,225,426 | 22,080,390 | 1,145,036 |
| Total expenditures | <u>22,121,459</u> | <u>23,225,426</u> | <u>22,080,390</u> | <u>1,145,036</u> |
| Excess (deficiency) of revenues over expenditures | 495,841 | (584,187) | 956,669 | 1,540,856 |
| Other financing uses: | | | | |
| Transfers out | (52,700) | (130,310) | (108,832) | 21,478 |
| Total other financing uses | <u>(52,700)</u> | <u>(130,310)</u> | <u>(108,832)</u> | <u>21,478</u> |
| Net changes in fund balances | 443,141 | (714,497) | 847,837 | 1,562,334 |
| Fund balances, beginning of year | <u>6,404,402</u> | <u>6,404,402</u> | <u>6,404,402</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 6,847,543</u> | <u>\$ 5,689,905</u> | <u>\$ 7,252,239</u> | <u>\$ 1,562,334</u> |

FORSYTH COUNTY, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

| | 2018 |
|--|----------------------|
| Total OPEB liability | |
| Service cost | \$ 288,533 |
| Interest on total OPEB liability | 209,187 |
| Benefit payments | (569,942) |
| Net change in total OPEB liability | (72,222) |
| | |
| Total OPEB liability - beginning | 5,740,774 |
| Total OPEB liability - ending | \$ 5,668,552 |
| | |
| Covered payroll | \$ 78,422,256 |
| | |
| Total OPEB liability as a percentage of covered payroll | 7.2% |

Notes to the Schedule:

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

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

FORSYTH COUNTY, GEORGIA

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 144,052 | \$ 153,508 | \$ 191,249 | \$ 210,781 | \$ 195,813 |
| Interest on total pension liability | 1,296,817 | 1,342,712 | 1,293,085 | 1,177,655 | 1,228,732 |
| Differences between expected and actual experience | 478,588 | (1,024,769) | 237,513 | 159,510 | - |
| Changes in assumptions | 750,037 | - | - | 1,071,161 | - |
| Benefit payments, including refunds of employee contributions | (1,090,880) | (1,060,702) | (940,744) | (886,675) | (802,177) |
| Net change in total pension liability | <u>1,578,614</u> | <u>(589,251)</u> | <u>781,103</u> | <u>1,732,432</u> | <u>622,368</u> |
| Total pension liability - beginning | <u>19,230,270</u> | <u>19,819,521</u> | <u>19,038,418</u> | <u>17,305,986</u> | <u>16,683,618</u> |
| Total pension liability - ending (a) | <u>\$ 20,808,884</u> | <u>\$ 19,230,270</u> | <u>\$ 19,819,521</u> | <u>\$ 19,038,418</u> | <u>\$ 17,305,986</u> |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 900,000 | \$ 1,000,000 |
| Net investment income (loss) | (619,911) | 2,062,163 | 1,278,960 | 13,832 | 991,813 |
| Benefit payments, including refunds of member contributions | (1,090,880) | (1,060,702) | (940,744) | (886,675) | (802,177) |
| Net change in plan fiduciary net position | <u>(710,791)</u> | <u>2,001,461</u> | <u>1,338,216</u> | <u>27,157</u> | <u>1,189,636</u> |
| Plan fiduciary net position - beginning | <u>16,867,274</u> | <u>14,865,813</u> | <u>13,527,597</u> | <u>13,500,440</u> | <u>12,310,804</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 16,156,483</u> | <u>\$ 16,867,274</u> | <u>\$ 14,865,813</u> | <u>\$ 13,527,597</u> | <u>\$ 13,500,440</u> |
| County's net pension liability - ending (a) - (b) | <u>\$ 4,652,401</u> | <u>\$ 2,362,996</u> | <u>\$ 4,953,708</u> | <u>\$ 5,510,821</u> | <u>\$ 3,805,546</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 77.6% | 87.7% | 75.0% | 71.1% | 78.0% |
| Covered payroll | \$ 1,657,916 | \$ 1,809,638 | \$ 2,129,390 | \$ 2,189,987 | \$ 2,462,389 |
| Net pension liability as a percentage of covered payroll | 280.6% | 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

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 900,000 | \$ 1,000,000 |
| Contributions in relation to the actuarially determined contribution | <u>1,000,000</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>900,000</u> | <u>1,000,000</u> |
| Contribution excess | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 1,657,916 | \$ 1,809,638 | \$ 2,129,390 | \$ 2,189,987 | \$ 2,462,389 |
| Contributions as a percentage of covered payroll | 60.3% | 55.3% | 47.0% | 41.1% | 40.6% |
| | | | | | |
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| Actuarially determined contribution | \$ 847,220 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,200,000 | \$ 796,399 |
| Contributions in relation to the actuarially determined contribution | <u>847,220</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>1,200,000</u> | <u>796,399</u> |
| Contribution excess | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 2,924,601 | \$ 2,877,352 | \$ 2,775,052 | \$ 3,087,294 | \$ 3,569,495 |
| Contributions as a percentage of covered payroll | 29.0% | 34.8% | 36.0% | 38.9% | 22.3% |

Notes to the Schedule:

(1) Actuarial Assumptions

| | |
|---------------------------------------|---|
| Valuation Date | January 1, 2018 |
| 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

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expenses for the County's Pension Plan | -3.75% | 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

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, 2018

| ASSETS | Special Revenue Funds | | | | | | | |
|---|--|--|--|---|---|------------------------|---------------------------|---------------------|
| | Victims Rights & Assistance Fund | Drug Abuse Treatment & Education Fund | Emergency 911 Telephone System Fund | Sheriff's Law Enforcement Fund | District Attorney Seizure Fund | Law Library Fund | Juvenile Court Fund | Grant Fund |
| Cash and cash equivalents | \$ 8,057 | \$ 461,195 | \$ 1,951,354 | \$ 632,569 | \$ 94,177 | \$ 86,082 | \$ 14,919 | \$ - |
| Receivables, net of allowance for uncollectibles | - | - | 917,366 | - | - | 8,087 | - | 291,858 |
| Taxes receivable | - | - | - | - | - | - | - | - |
| Intergovernmental receivable | 407 | 980 | - | - | - | - | - | 1,725,670 |
| Prepaid items | - | - | 49,704 | - | - | - | - | 9,308 |
| Due from other funds | - | - | - | 220 | - | - | - | - |
| Restricted assets: | | | | | | | | |
| Restricted cash and cash equivalents | - | - | - | - | - | - | - | - |
| Total assets | \$ 8,464 | \$ 462,175 | \$ 2,918,424 | \$ 632,789 | \$ 94,177 | \$ 94,169 | \$ 14,919 | \$ 2,026,836 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 151 | \$ 32,928 | \$ 16,672 | \$ 16,652 | \$ - | \$ - | \$ - | \$ 475,673 |
| Due to other funds | - | - | - | 274 | - | 9,950 | - | 623,478 |
| Advances from other funds | - | - | 251,589 | - | - | - | - | - |
| Total liabilities | 151 | 32,928 | 268,261 | 16,926 | - | 9,950 | - | 1,099,151 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable revenue - property taxes | - | - | - | - | - | - | - | - |
| Unavailable revenue - grants | - | - | - | - | - | - | - | 307,597 |
| Deferred revenue - property taxes | - | - | - | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - | - | - | 307,597 |
| FUND BALANCES | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Prepaid items | - | - | 49,704 | - | - | - | - | 9,308 |
| Restricted: | | | | | | | | |
| Crime victims' assistance | 8,313 | - | - | - | - | - | - | - |
| Law enforcement activities | - | 429,247 | - | 615,863 | 94,177 | - | 14,919 | - |
| Law library operations | - | - | - | - | - | 84,219 | - | - |
| Emergency 911 services | - | - | 2,600,459 | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Assigned: | | | | | | | | |
| Capital projects | - | - | - | - | - | - | - | 610,780 |
| Total fund balances | 8,313 | 429,247 | 2,650,163 | 615,863 | 94,177 | 84,219 | 14,919 | 620,088 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 8,464 | \$ 462,175 | \$ 2,918,424 | \$ 632,789 | \$ 94,177 | \$ 94,169 | \$ 14,919 | \$ 2,026,836 |

| Special Revenue Funds | | | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|----------------------------|-------------------|----------------------|------------------------|----------------------|----------------------|-----------------------------------|
| Insurance Premium Tax Fund | County Jail Fund | Hotel/Motel Tax Fund | Transportation Bond | Impact Fees Fund | Debt Service | |
| \$ 7,346,193 | \$ 661,620 | \$ 54,501 | \$ - | \$ 21,282,222 | \$ 31,888,892 | \$ 64,481,781 |
| - | 815 | - | - | 10 | - | 1,218,136 |
| - | - | 44,464 | - | - | 479,754 | 524,218 |
| - | - | - | - | - | - | 1,727,057 |
| - | - | - | - | - | - | 59,012 |
| - | - | - | - | - | - | 220 |
| - | - | - | 39,512,868 | - | - | 39,512,868 |
| <u>\$ 7,346,193</u> | <u>\$ 662,435</u> | <u>\$ 98,965</u> | <u>\$ 39,512,868</u> | <u>\$ 21,282,232</u> | <u>\$ 32,368,646</u> | <u>\$ 107,523,292</u> |
| | | | | | | |
| \$ 1,693,117 | \$ 3,626 | \$ 98,965 | 2,933,641 | \$ 102,581 | \$ - | \$ 5,374,006 |
| - | - | - | 658,500 | 1,403,930 | - | 2,696,132 |
| - | - | - | - | - | - | 251,589 |
| <u>1,693,117</u> | <u>3,626</u> | <u>98,965</u> | <u>3,592,141</u> | <u>1,506,511</u> | <u>-</u> | <u>8,321,727</u> |
| - | - | - | - | - | 107,869 | 107,869 |
| - | - | - | - | - | - | 307,597 |
| - | - | - | - | - | 17,184,147 | 17,184,147 |
| - | - | - | - | - | 17,292,016 | 17,599,613 |
| - | - | - | - | - | - | 59,012 |
| - | - | - | - | - | - | 8,313 |
| - | 658,809 | - | - | - | - | 1,813,015 |
| - | - | - | - | - | - | 84,219 |
| - | - | - | - | - | - | 2,600,459 |
| 5,653,076 | - | - | 35,920,727 | 19,775,721 | - | 61,349,524 |
| - | - | - | - | - | 15,076,630 | 15,076,630 |
| - | - | - | - | - | - | 610,780 |
| <u>5,653,076</u> | <u>658,809</u> | <u>-</u> | <u>35,920,727</u> | <u>19,775,721</u> | <u>15,076,630</u> | <u>81,601,952</u> |
| | | | | | | |
| <u>\$ 7,346,193</u> | <u>\$ 662,435</u> | <u>\$ 98,965</u> | <u>\$ 39,512,868</u> | <u>\$ 21,282,232</u> | <u>\$ 32,368,646</u> | <u>\$ 107,523,292</u> |

FORSYTH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Special Revenue Funds | | | | | | | Grant Fund |
|---|----------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|------------------|---------------------|-------------------|
| | Victims Rights & Assistance Fund | Drug Abuse Treatment & Education Fund | Emergency 911 Telephone System Fund | Sheriff's Law Enforcement Fund | District Attorney Seizure Fund | Law Library Fund | Juvenile Court Fund | |
| Revenues: | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - | - | 5,546,088 |
| Fines and forfeitures | 126,247 | 541,874 | - | 207,941 | 12,658 | 97,556 | 5,345 | - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Charges for services | - | - | 4,855,026 | - | - | - | - | 39,756 |
| Interest income | 1,651 | 7,671 | 33,805 | 9,373 | - | - | 238 | - |
| Contributions and donations | - | - | - | 3,594 | - | - | - | 58,846 |
| Miscellaneous | - | 7,863 | - | 173,163 | - | 679 | - | - |
| Total revenues | <u>127,898</u> | <u>557,408</u> | <u>4,888,831</u> | <u>394,071</u> | <u>12,658</u> | <u>98,235</u> | <u>5,583</u> | <u>5,644,690</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Judicial | 414,118 | - | - | - | - | 84,004 | 11,566 | 615,125 |
| Public safety | - | 661,902 | 4,551,538 | 282,926 | 701 | - | - | 449,727 |
| Public works | - | - | - | - | - | - | - | 3,029,052 |
| Housing and development | - | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - | 1,517,620 |
| Intergovernmental expenditures | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | <u>414,118</u> | <u>661,902</u> | <u>4,551,538</u> | <u>282,926</u> | <u>701</u> | <u>84,004</u> | <u>11,566</u> | <u>5,611,524</u> |
| Excess (deficiency) of revenues over expenditures | (286,220) | (104,494) | 337,293 | 111,145 | 11,957 | 14,231 | (5,983) | 33,166 |
| Other financing sources (uses): | | | | | | | | |
| Proceeds from disposal of capital assets | - | - | - | 83,803 | - | - | - | - |
| Transfers in | 282,748 | 804 | - | - | - | - | - | 985,942 |
| Transfers out | (25,676) | (22,296) | - | - | - | - | - | (23,097) |
| Total other financing sources (uses) | <u>257,072</u> | <u>(21,492)</u> | <u>-</u> | <u>83,803</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>962,845</u> |
| Net change in fund balances | (29,148) | (125,986) | 337,293 | 194,948 | 11,957 | 14,231 | (5,983) | 996,011 |
| Fund balances, beginning of year | <u>37,461</u> | <u>555,233</u> | <u>2,312,870</u> | <u>420,915</u> | <u>82,220</u> | <u>69,988</u> | <u>20,902</u> | <u>(375,923)</u> |
| Fund balances, end of year | <u>\$ 8,313</u> | <u>\$ 429,247</u> | <u>\$ 2,650,163</u> | <u>\$ 615,863</u> | <u>\$ 94,177</u> | <u>\$ 84,219</u> | <u>\$ 14,919</u> | <u>\$ 620,088</u> |

| Special Revenue Funds | | | Capital Projects Funds | | | Total Nonmajor Governmental Funds |
|----------------------------------|---------------------|----------------------------|------------------------|----------------------|----------------------|--|
| Insurance Premium Tax Fund | County Jail Fund | Hotel/Motel Tax Fund | Transportation Bond | Impact Fees Fund | Debt Service | |
| \$ 10,968,721 | \$ - | \$ 623,129 | \$ - | \$ - | \$ 17,576,979 | \$ 29,168,829 |
| 274,717 | - | - | - | - | - | 5,820,805 |
| - | 258,928 | - | - | - | - | 1,250,549 |
| 33,495 | - | - | - | - | - | 33,495 |
| 40 | - | - | - | 10,823,175 | - | 15,717,997 |
| 72,251 | 11,731 | - | 560,309 | 288,251 | 341,025 | 1,326,305 |
| - | - | - | - | - | - | 62,440 |
| - | - | - | 792,041 | - | - | 973,746 |
| <u>11,349,224</u> | <u>270,659</u> | <u>623,129</u> | <u>1,352,350</u> | <u>11,111,426</u> | <u>17,918,004</u> | <u>54,354,166</u> |
| - | - | - | - | - | 7,073 | 7,073 |
| - | - | - | - | - | - | 1,124,813 |
| - | 336,092 | - | - | - | - | 6,282,886 |
| 10,628,400 | - | - | - | - | - | 13,657,452 |
| - | - | 623,129 | - | 140,762 | - | 763,891 |
| - | - | - | - | - | - | 1,517,620 |
| - | - | - | - | 88,586 | - | 88,586 |
| - | - | - | 11,216,601 | 2,871,929 | - | 14,088,530 |
| - | - | - | - | - | 12,980,000 | 12,980,000 |
| - | - | - | - | - | 6,470,178 | 6,470,178 |
| <u>10,628,400</u> | <u>336,092</u> | <u>623,129</u> | <u>11,216,601</u> | <u>3,101,277</u> | <u>19,457,251</u> | <u>56,981,029</u> |
| 720,824 | (65,433) | - | (9,864,251) | 8,010,149 | (1,539,247) | (2,626,863) |
| - | - | - | - | - | - | 83,803 |
| - | - | - | - | - | - | 1,269,494 |
| <u>(315,127)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(386,196)</u> |
| <u>(315,127)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>967,101</u> |
| 405,697 | (65,433) | - | (9,864,251) | 8,010,149 | (1,539,247) | (1,659,762) |
| <u>5,247,379</u> | <u>724,242</u> | <u>-</u> | <u>45,784,978</u> | <u>11,765,572</u> | <u>16,615,877</u> | <u>83,261,714</u> |
| <u>\$ 5,653,076</u> | <u>\$ 658,809</u> | <u>\$ -</u> | <u>\$ 35,920,727</u> | <u>\$ 19,775,721</u> | <u>\$ 15,076,630</u> | <u>\$ 81,601,952</u> |

**FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|------------------|------------------|-----------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 110,000 | \$ 142,430 | \$ 126,247 | \$ (16,183) |
| Interest income | - | - | 1,651 | 1,651 |
| Total revenues | <u>110,000</u> | <u>142,430</u> | <u>127,898</u> | <u>(14,532)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial | 382,800 | 432,827 | 414,118 | 18,709 |
| Total expenditures | <u>382,800</u> | <u>432,827</u> | <u>414,118</u> | <u>18,709</u> |
| Deficiency of revenues over expenditures | (272,800) | (290,397) | (286,220) | 4,177 |
| Other financing sources (uses): | | | | |
| Transfers in | 298,000 | 298,000 | 282,748 | (15,252) |
| Transfers out | (25,200) | (26,200) | (25,676) | 524 |
| Total other financing sources (uses) | <u>272,800</u> | <u>271,800</u> | <u>257,072</u> | <u>(14,728)</u> |
| Net changes in fund balances | - | (18,597) | (29,148) | (10,551) |
| Fund balances, beginning of year | <u>37,461</u> | <u>37,461</u> | <u>37,461</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 37,461</u> | <u>\$ 18,864</u> | <u>\$ 8,313</u> | <u>\$ (10,551)</u> |

**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, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 537,000 | \$ 537,000 | \$ 541,874 | \$ 4,874 |
| Interest income | - | - | 7,671 | 7,671 |
| Miscellaneous | 16,000 | 16,000 | 7,863 | (8,137) |
| Total revenues | <u>553,000</u> | <u>553,000</u> | <u>557,408</u> | <u>4,408</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 810,200 | 922,271 | 661,902 | 260,369 |
| Total expenditures | <u>810,200</u> | <u>922,271</u> | <u>661,902</u> | <u>260,369</u> |
| Deficiency of revenues over expenditures | (257,200) | (369,271) | (104,494) | 264,777 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 804 | 804 |
| Transfers out | - | - | (22,296) | (22,296) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(21,492)</u> | <u>(21,492)</u> |
| Net changes in fund balances | (257,200) | (369,271) | (125,986) | 243,285 |
| Fund balances, beginning of year | <u>555,233</u> | <u>555,233</u> | <u>555,233</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 298,033</u> | <u>\$ 185,962</u> | <u>\$ 429,247</u> | <u>\$ 243,285</u> |

**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, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 4,600,000 | \$ 4,600,000 | \$ 4,855,026 | \$ 255,026 |
| Interest income | - | - | 33,805 | 33,805 |
| Total revenues | <u>4,600,000</u> | <u>4,600,000</u> | <u>4,888,831</u> | <u>288,831</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 4,600,000 | 5,028,252 | 4,551,538 | 476,714 |
| Total expenditures | <u>4,600,000</u> | <u>5,028,252</u> | <u>4,551,538</u> | <u>476,714</u> |
| Net changes in fund balances | - | (428,252) | 337,293 | 765,545 |
| Fund balances, beginning of year | <u>2,312,870</u> | <u>2,312,870</u> | <u>2,312,870</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 2,312,870</u> | <u>\$ 2,312,870</u> | <u>\$ 2,650,163</u> | <u>\$ -</u> |

**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, 2018**

| | Budget | | Actual | Variance With Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 184,000 | \$ 184,000 | \$ 207,941 | \$ 23,941 |
| Interest income | 1,700 | 1,700 | 9,373 | 7,673 |
| Contributions | 12,500 | 12,500 | 3,594 | (8,906) |
| Miscellaneous | 93,500 | 93,500 | 173,163 | 79,663 |
| Total revenues | <u>291,700</u> | <u>291,700</u> | <u>394,071</u> | <u>102,371</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 291,700 | 301,700 | 282,926 | 18,774 |
| Total expenditures | <u>291,700</u> | <u>301,700</u> | <u>282,926</u> | <u>18,774</u> |
| Excess (deficiency) of revenues over expenditures | - | (10,000) | 111,145 | 121,145 |
| Other financing sources: | | | | |
| Proceeds from disposal of capital assets | - | - | 83,803 | 83,803 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>83,803</u> | <u>83,803</u> |
| Net changes in fund balances | - | (10,000) | 194,948 | 204,948 |
| Fund balances, beginning of year | <u>420,915</u> | <u>420,915</u> | <u>420,915</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 420,915</u> | <u>\$ 410,915</u> | <u>\$ 615,863</u> | <u>\$ 204,948</u> |

**FORSYTH COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 4,000 | \$ 4,000 | \$ 12,658 | \$ 8,658 |
| Total revenues | <u>4,000</u> | <u>4,000</u> | <u>12,658</u> | <u>8,658</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 4,000 | 4,000 | 701 | 3,299 |
| Total expenditures | <u>4,000</u> | <u>4,000</u> | <u>701</u> | <u>3,299</u> |
| Net changes in fund balances | - | - | 11,957 | 11,957 |
| Fund balances, beginning of year | <u>82,220</u> | <u>82,220</u> | <u>82,220</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 82,220</u> | <u>\$ 82,220</u> | <u>\$ 94,177</u> | <u>\$ 11,957</u> |

**FORSYTH COUNTY, GEORGIA
LAW LIBRARY**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 101,300 | \$ 101,300 | \$ 97,556 | \$ (3,744) |
| Miscellaneous | - | - | 679 | 679 |
| Total revenues | <u>101,300</u> | <u>101,300</u> | <u>98,235</u> | <u>(3,065)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial | 101,300 | 101,300 | 84,004 | 17,296 |
| Total expenditures | <u>101,300</u> | <u>101,300</u> | <u>84,004</u> | <u>17,296</u> |
| Net changes in fund balances | - | - | 14,231 | 14,231 |
| Fund balances, beginning of year | <u>69,988</u> | <u>69,988</u> | <u>69,988</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 69,988</u> | <u>\$ 69,988</u> | <u>\$ 84,219</u> | <u>\$ 14,231</u> |

**FORSYTH COUNTY, GEORGIA
JUVENILE COURT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 28,000 | \$ 28,000 | \$ 5,345 | \$ (22,655) |
| Interest income | - | - | 238 | 238 |
| Total revenues | <u>28,000</u> | <u>28,000</u> | <u>5,583</u> | <u>(22,417)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial | 28,000 | 28,000 | 11,566 | 16,434 |
| Total expenditures | <u>28,000</u> | <u>28,000</u> | <u>11,566</u> | <u>16,434</u> |
| Net changes in fund balances | - | - | (5,983) | (5,983) |
| Fund balances, beginning of year | <u>20,902</u> | <u>20,902</u> | <u>20,902</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 20,902</u> | <u>\$ 20,902</u> | <u>\$ 14,919</u> | <u>\$ (5,983)</u> |

**FORSYTH COUNTY, GEORGIA
GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|--|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,954,649 | \$ 7,087,220 | \$ 5,546,088 | \$ (1,541,132) |
| Charges for services | 36,600 | 36,600 | 39,756 | 3,156 |
| Contributions and donations | 45,000 | 45,000 | 58,846 | 13,846 |
| Total revenues | <u>2,036,249</u> | <u>7,168,820</u> | <u>5,644,690</u> | <u>(1,524,130)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial | 838,749 | 997,349 | 615,125 | 382,224 |
| Public safety | 437,200 | 494,074 | 449,727 | 44,347 |
| Public works | 217,900 | 5,058,826 | 3,029,052 | 2,029,774 |
| Health and welfare | 1,480,100 | 1,578,246 | 1,517,620 | 60,626 |
| Total expenditures | <u>2,973,949</u> | <u>8,128,495</u> | <u>5,611,524</u> | <u>2,516,971</u> |
| Excess (deficiency) of revenues over expenditures | (937,700) | (959,675) | 33,166 | 992,841 |
| Other financing sources (uses): | | | | |
| Transfers in | 937,700 | 959,675 | 985,942 | 26,267 |
| Transfers out | - | - | (23,097) | (23,097) |
| Total other financing sources (uses) | <u>937,700</u> | <u>959,675</u> | <u>962,845</u> | <u>3,170</u> |
| Net changes in fund balances | - | - | 996,011 | 996,011 |
| Fund balances, beginning of year | <u>(375,923)</u> | <u>(375,923)</u> | <u>(375,923)</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ (375,923)</u> | <u>\$ (375,923)</u> | <u>\$ 620,088</u> | <u>\$ 996,011</u> |

**FORSYTH COUNTY, GEORGIA
INSURANCE PREMIUM TAX**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 9,498,500 | \$ 9,498,500 | \$ 10,968,721 | \$ 1,470,221 |
| Intergovernmental | 283,100 | 283,100 | 274,717 | (8,383) |
| Licenses and permits | 40,000 | 40,000 | 33,495 | (6,505) |
| Charges for services | - | - | 40 | 40 |
| Interest income | - | - | 72,251 | 72,251 |
| Total revenues | <u>9,821,600</u> | <u>9,821,600</u> | <u>11,349,224</u> | <u>1,527,624</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 10,776,600 | 11,487,465 | 10,628,400 | 859,065 |
| Total expenditures | <u>10,776,600</u> | <u>11,487,465</u> | <u>10,628,400</u> | <u>859,065</u> |
| Excess (deficiency) of revenues over expenditures | (955,000) | (1,665,865) | 720,824 | 2,386,689 |
| Other financing uses: | | | | |
| Transfers out | (397,400) | (412,455) | (315,127) | 97,328 |
| Total other financing uses | <u>(397,400)</u> | <u>(412,455)</u> | <u>(315,127)</u> | <u>97,328</u> |
| Net changes in fund balances | (1,352,400) | (2,078,320) | 405,697 | 2,484,017 |
| Fund balances, beginning of year | <u>5,247,379</u> | <u>5,247,379</u> | <u>5,247,379</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 3,894,979</u> | <u>\$ 3,169,059</u> | <u>\$ 5,653,076</u> | <u>\$ 2,484,017</u> |

**FORSYTH COUNTY, GEORGIA
COUNTY JAIL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 430,000 | \$ 430,000 | \$ 258,928 | \$ (171,072) |
| Interest income | - | - | 11,731 | 11,731 |
| Total revenues | <u>430,000</u> | <u>430,000</u> | <u>270,659</u> | <u>(159,341)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 757,361 | 757,361 | 336,092 | 421,269 |
| Total expenditures | <u>757,361</u> | <u>757,361</u> | <u>336,092</u> | <u>421,269</u> |
| Net changes in fund balances | (327,361) | (327,361) | (65,433) | 261,928 |
| Fund balances, beginning of year | <u>724,242</u> | <u>724,242</u> | <u>724,242</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 396,881</u> | <u>\$ 396,881</u> | <u>\$ 658,809</u> | <u>\$ 261,928</u> |

**FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Budget | | Actual | Variance With Final Budget |
|---|----------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 598,100 | \$ 650,100 | \$ 623,129 | \$ (26,971) |
| Total revenues | <u>598,100</u> | <u>650,100</u> | <u>623,129</u> | <u>(26,971)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Housing and development | 598,100 | 650,100 | 623,129 | 26,971 |
| Total expenditures | <u>598,100</u> | <u>650,100</u> | <u>623,129</u> | <u>26,971</u> |
| Net changes in fund balances | - | - | - | - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

FORSYTH COUNTY, GEORGIA
DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|----------------------|----------------------|----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 17,250,171 | \$ 17,250,171 | \$ 17,576,979 | \$ 326,808 |
| Investment income | 25,000 | 25,000 | 341,025 | 316,025 |
| Total revenues | <u>17,275,171</u> | <u>17,275,171</u> | <u>17,918,004</u> | <u>642,833</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 10,000 | 10,000 | 7,073 | 2,927 |
| Debt service: | | | | |
| Principal | 11,810,000 | 11,810,000 | 12,980,000 | (1,170,000) |
| Interest | 7,988,947 | 7,988,947 | 6,470,178 | 1,518,769 |
| Total expenditures | <u>19,808,947</u> | <u>19,808,947</u> | <u>19,457,251</u> | <u>351,696</u> |
| Net changes in fund balances | (2,533,776) | (2,533,776) | (1,539,247) | 994,529 |
| Fund balances, beginning of year | <u>16,615,877</u> | <u>16,615,877</u> | <u>16,615,877</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 14,082,101</u> | <u>\$ 14,082,101</u> | <u>\$ 15,076,630</u> | <u>\$ -</u> |

FORSYTH COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| Project | Estimated Cost | | Expenditures | | Total |
|---------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | Original | Current | Prior Years | Current Year | |
| SPLOST VI - 2008 SPLOST | | | | | |
| Road, street, bridges and sidewalks | \$ 108,600,000 | \$ 102,957,263 | \$ 101,947,195 | \$ - | \$ 101,947,195 |
| Public safety facilities | 17,800,000 | 13,052,093 | 5,405,430 | 4,075 | 5,409,505 |
| Park and recreation facilities | 13,500,000 | 11,137,500 | 11,126,287 | - | 11,126,287 |
| Library facilities | 7,200,000 | 5,940,000 | 5,694,069 | - | 5,694,069 |
| Cultural facilities | 6,000,000 | 6,877,656 | 6,382,656 | 495,000 | 6,877,656 |
| Payments to the City of Cumming | 6,900,000 | 6,075,666 | 6,075,666 | - | 6,075,666 |
| Total 2008 SPLOST | <u>\$ 160,000,000</u> | <u>\$ 146,040,178</u> | <u>\$ 136,631,303</u> | <u>\$ 499,075</u> | <u>\$ 137,130,378</u> |
| SPLOST VII - 2013 SPLOST | | | | | |
| Courthouse and Jail Expansion | \$ 100,000,000 | \$ 100,000,000 | \$ 92,523,939 | \$ - | \$ 92,523,939 |
| Road, street, bridges and sidewalks | 76,925,025 | 76,925,025 | 43,368,260 | 10,382,598 | 53,750,858 |
| Animal Shelter | 2,999,975 | 2,500,000 | 1,649,844 | 152,438 | 1,802,282 |
| Libraries | 2,800,000 | 2,800,000 | 1,065,015 | 1,693,321 | 2,758,336 |
| Public Safety Improvements | 3,900,000 | 3,900,000 | 1,314,675 | - | 1,314,675 |
| Emergency Water Generator | 1,000,000 | 1,500,500 | 1,000,000 | 184,219 | 1,184,219 |
| Payments to the City of Cumming | 12,375,000 | 12,375,000 | 6,972,051 | 4,934,931 | 11,906,982 |
| Total 2013 SPLOST | <u>\$ 200,000,000</u> | <u>\$ 200,000,525</u> | <u>\$ 147,893,784</u> | <u>\$ 17,347,507</u> | <u>\$ 165,241,291</u> |
| SPLOST VIII - 2018 SPLOST | | | | | |
| Roads, streets, bridges and sidewalks | \$ 153,000,000 | \$ 153,000,000 | \$ - | \$ - | \$ - |
| Park and Recreation | 44,000,000 | 44,000,000 | - | - | - |
| Public Safety (sheriff) | 11,500,000 | 11,500,000 | - | - | - |
| Public Safety (fire) | 15,000,000 | 15,000,000 | - | - | - |
| Senior Service | 5,600,000 | 5,600,000 | - | - | - |
| Water and Sewer | 10,000,000 | 10,000,000 | - | - | - |
| Administrative | 9,000,000 | 9,000,000 | - | - | - |
| Library | 9,700,000 | 9,700,000 | - | - | - |
| Stormwater and drainage | 250,000 | 250,000 | - | - | - |
| Animal Service | 956,000 | 956,000 | - | - | - |
| Veteran Memorial | 500,000 | 500,000 | - | 25,000 | 25,000 |
| Total 2018 SPLOST | <u>\$ 259,506,000</u> | <u>\$ 259,506,000</u> | <u>\$ -</u> | <u>\$ 25,000</u> | <u>\$ 25,000</u> |

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, 2018

| | Risk Management Fund | Employee Health Benefits Fund | Workers' Compensation Fund | Fleet Maintenance Fund | Total |
|---|----------------------------|-------------------------------------|----------------------------------|------------------------------|---------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash | \$ 1,719,991 | \$ 5,489,791 | \$ 490,098 | \$ - | \$ 7,699,880 |
| Investments | - | - | 1,585,807 | - | 1,585,807 |
| Receivables | - | 1,666,122 | 8,078 | - | 1,674,200 |
| Inventories | - | - | - | 196,022 | 196,022 |
| Prepaid items | 356,770 | - | - | 1,890 | 358,660 |
| Total current assets | <u>2,076,761</u> | <u>7,155,913</u> | <u>2,083,983</u> | <u>197,912</u> | <u>11,514,569</u> |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Capital assets, being depreciated | 156,557 | - | - | 945,279 | 1,101,836 |
| Less accumulated depreciation | (98,845) | - | - | (724,254) | (823,099) |
| Total capital assets, net of accumulated depreciation | <u>57,712</u> | <u>-</u> | <u>-</u> | <u>221,025</u> | <u>278,737</u> |
| Total assets | <u>2,134,473</u> | <u>7,155,913</u> | <u>2,083,983</u> | <u>418,937</u> | <u>11,793,306</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 109,576 | 288,532 | 9,638 | 1,445 | 409,191 |
| Compensated absences, due within one year | 5,852 | - | - | 84,412 | 90,264 |
| Claims payable, due within one year | 276,898 | 3,396,884 | 667,478 | - | 4,341,260 |
| Total current liabilities | <u>392,326</u> | <u>3,685,416</u> | <u>677,116</u> | <u>85,857</u> | <u>4,840,715</u> |
| Long-term liabilities: | | | | | |
| Compensated absences, due in more than one year | 1,463 | - | - | 21,103 | 22,566 |
| Claims payable, long term | 613,102 | - | 592,522 | - | 1,205,624 |
| Total long-term liabilities | <u>614,565</u> | <u>-</u> | <u>592,522</u> | <u>21,103</u> | <u>1,228,190</u> |
| Total liabilities | <u>1,006,891</u> | <u>3,685,416</u> | <u>1,269,638</u> | <u>106,960</u> | <u>6,068,905</u> |
| NET POSITION | | | | | |
| Investment in capital assets | 57,712 | - | - | 221,025 | 278,737 |
| Unrestricted | 1,069,870 | 3,470,497 | 814,345 | 90,952 | 5,445,664 |
| Total net position | <u>\$ 1,127,582</u> | <u>\$ 3,470,497</u> | <u>\$ 814,345</u> | <u>\$ 311,977</u> | <u>\$ 5,724,401</u> |

FORSYTH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Risk Management Fund | Employee Health Benefits Fund | Workers' Compensation Fund | Fleet Maintenance Fund | Total |
|--|----------------------------|-------------------------------------|----------------------------------|------------------------------|---------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 1,425,600 | \$ 29,526,089 | \$ 740,000 | \$ 694,055 | \$ 32,385,744 |
| Insurance recoveries | 552,333 | - | 57,047 | - | 609,380 |
| Other operating income | - | - | - | 1,533 | 1,533 |
| Total operating revenues | <u>1,977,933</u> | <u>29,526,089</u> | <u>797,047</u> | <u>695,588</u> | <u>32,996,657</u> |
| OPERATING EXPENSES | | | | | |
| Salaries and benefits | 209,465 | - | 71,784 | 1,157,667 | 1,438,916 |
| Supplies and maintenance | - | - | - | 227,653 | 227,653 |
| Claims | 2,409,821 | 22,004,982 | 1,713,390 | - | 26,128,193 |
| Insurance premiums | 26,794 | 2,632,313 | - | - | 2,659,107 |
| General and administrative | 98,091 | 905,345 | 17,368 | - | 1,020,804 |
| Depreciation expense | 46,170 | - | - | 41,494 | 87,664 |
| Total operating expenses | <u>2,790,341</u> | <u>25,542,640</u> | <u>1,802,542</u> | <u>1,426,814</u> | <u>31,562,337</u> |
| Operating income (loss) | (812,408) | 3,983,449 | (1,005,495) | (731,226) | 1,434,320 |
| NONOPERATING REVENUES | | | | | |
| Investment earnings | 34,084 | - | 40,470 | - | 74,554 |
| Total nonoperating revenues | <u>34,084</u> | <u>-</u> | <u>40,470</u> | <u>-</u> | <u>74,554</u> |
| INCOME (LOSS) BEFORE TRANSFERS | (778,324) | 3,983,449 | (965,025) | (731,226) | 1,508,874 |
| Transfers in | - | - | - | 648,120 | 648,120 |
| Transfers out | - | (1,625,261) | - | - | (1,625,261) |
| Total interfund transfers | <u>-</u> | <u>(1,625,261)</u> | <u>-</u> | <u>648,120</u> | <u>(977,141)</u> |
| Change in net position | (778,324) | 2,358,188 | (965,025) | (83,106) | 531,733 |
| NET POSITION, beginning of year | <u>1,905,906</u> | <u>1,112,309</u> | <u>1,779,370</u> | <u>395,083</u> | <u>5,192,668</u> |
| NET POSITION, end of year | <u>\$ 1,127,582</u> | <u>\$ 3,470,497</u> | <u>\$ 814,345</u> | <u>\$ 311,977</u> | <u>\$ 5,724,401</u> |

FORSYTH COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Risk Management Fund | Employee Health Benefits Fund | Workers Compensation Fund | Fleet Maintenance Fund | Total |
|---|----------------------------|-------------------------------------|---------------------------------|------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 2,050,287 | \$ 29,526,089 | \$ 797,047 | \$ 695,588 | \$ 33,069,011 |
| Payments to suppliers and service providers | (2,349,422) | (26,006,025) | (1,689,629) | (203,421) | (30,248,497) |
| Payments to employees | (216,352) | - | - | (1,140,287) | (1,356,639) |
| Net cash provided (used) by operating activities | (515,487) | 3,520,064 | (892,582) | (648,120) | 1,463,875 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Investment maturities | - | - | 445,237 | - | 445,237 |
| Interest received | 34,084 | - | 42,517 | - | 76,601 |
| Net cash provided by investing activities | 34,084 | - | 487,754 | - | 521,838 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers in from other funds | - | - | - | 648,120 | 648,120 |
| Transfers out to other funds | - | (1,625,261) | - | - | (1,625,261) |
| Net cash provided (used) by non-capital financing activities | - | (1,625,261) | - | 648,120 | (977,141) |
| Net increase (decrease) in cash and cash equivalents | (481,403) | 1,894,803 | (404,828) | - | 1,008,572 |
| Cash and cash equivalents: | | | | | |
| Beginning of year | 2,201,394 | 3,594,988 | 894,926 | - | 6,691,308 |
| End of year | <u>\$ 1,719,991</u> | <u>\$ 5,489,791</u> | <u>\$ 490,098</u> | <u>\$ -</u> | <u>\$ 7,699,880</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ (812,408) | \$ 3,983,449 | \$ (1,005,495) | \$ (731,226) | \$ 1,434,320 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 46,170 | - | - | 41,494 | 87,664 |
| (Increase) decrease in accounts receivable | 72,354 | (1,236,827) | - | - | (1,164,473) |
| Decrease in inventory | - | - | - | 50,993 | 50,993 |
| (Increase) decrease in prepaid items | 5,311 | - | - | (1,890) | 3,421 |
| Increase (decrease) in accounts payable | 29,973 | 23,648 | (7,087) | (24,871) | 21,663 |
| Increase (decrease) in compensated absences | (6,887) | - | - | 17,380 | 10,493 |
| Increase in claims payable | 150,000 | 749,794 | 120,000 | - | 1,019,794 |
| Net cash provided (used) by operating activities | <u>\$ (515,487)</u> | <u>\$ 3,520,064</u> | <u>\$ (892,582)</u> | <u>\$ (648,120)</u> | <u>\$ 1,463,875</u> |

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, 2018

| ASSETS | Tax Commissioner | Sheriff | Clerk of Superior Court | Probate Court | Magistrate Court | Juvenile Court | Total |
|--------------------|-----------------------------|-------------------|------------------------------------|--------------------------|-----------------------------|---------------------------|----------------------|
| Cash | \$ 4,660,386 | \$ 360,590 | \$ 3,341,100 | \$ 12,425 | \$ 116,923 | \$ 11,012 | \$ 8,502,436 |
| Taxes receivable | 6,557,383 | - | - | - | - | - | 6,557,383 |
| Total assets | <u>\$ 11,217,769</u> | <u>\$ 360,590</u> | <u>\$ 3,341,100</u> | <u>\$ 12,425</u> | <u>\$ 116,923</u> | <u>\$ 11,012</u> | <u>\$ 15,059,819</u> |
| | | | | | | | |
| LIABILITIES | | | | | | | |
| Due to others | \$ 4,660,386 | \$ 360,590 | \$ 3,341,100 | \$ 12,425 | \$ 116,923 | \$ 11,012 | \$ 8,502,436 |
| Uncollected taxes | 6,557,383 | - | - | - | - | - | 6,557,383 |
| Total liabilities | <u>\$ 11,217,769</u> | <u>\$ 360,590</u> | <u>\$ 3,341,100</u> | <u>\$ 12,425</u> | <u>\$ 116,923</u> | <u>\$ 11,012</u> | <u>\$ 15,059,819</u> |

FORSYTH COUNTY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | <u>Balance January 1, 2018</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance December 31, 2018</u> |
|---------------------------------------|--|-----------------------|-------------------------|--|
| <u>Tax Commissioner</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 3,849,963 | \$ 382,055,113 | \$ (381,244,690) | \$ 4,660,386 |
| Other receivables | 1,435 | - | (1,435) | - |
| Taxes receivable | 9,399,135 | 95,305,128 | (98,146,880) | 6,557,383 |
| Total assets | <u>\$ 13,250,533</u> | <u>\$ 477,360,241</u> | <u>\$ (479,393,005)</u> | <u>\$ 11,217,769</u> |
| LIABILITIES | | | | |
| Due to others | \$ 3,851,398 | \$ 382,055,113 | \$ (381,246,125) | \$ 4,660,386 |
| Uncollected taxes | 9,399,135 | 95,305,128 | (98,146,880) | 6,557,383 |
| Total liabilities | <u>\$ 13,250,533</u> | <u>\$ 477,360,241</u> | <u>\$ (479,393,005)</u> | <u>\$ 11,217,769</u> |
| <u>Sheriff</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 379,032 | \$ 2,951,522 | \$ (2,969,964) | \$ 360,590 |
| Total assets | <u>\$ 379,032</u> | <u>\$ 2,951,522</u> | <u>\$ (2,969,964)</u> | <u>\$ 360,590</u> |
| LIABILITIES | | | | |
| Due to others | \$ 379,032 | \$ 2,951,522 | \$ (2,969,964) | \$ 360,590 |
| Total liabilities | <u>\$ 379,032</u> | <u>\$ 2,951,522</u> | <u>\$ (2,969,964)</u> | <u>\$ 360,590</u> |
| <u>Clerk of Superior Court</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 4,565,988 | \$ 20,169,470 | \$ (21,394,358) | \$ 3,341,100 |
| Total assets | <u>\$ 4,565,988</u> | <u>\$ 20,169,470</u> | <u>\$ (21,394,358)</u> | <u>\$ 3,341,100</u> |
| LIABILITIES | | | | |
| Due to others | \$ 4,565,988 | \$ 20,169,470 | \$ (21,394,358) | \$ 3,341,100 |
| Total liabilities | <u>\$ 4,565,988</u> | <u>\$ 20,169,470</u> | <u>\$ (21,394,358)</u> | <u>\$ 3,341,100</u> |

(Continued)

FORSYTH COUNTY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

| | Balance January 1, 2018 | Increases | Decreases | Balance December 31, 2018 |
|----------------------------------|-------------------------------|-----------------------|-------------------------|---------------------------------|
| <u>Probate Court</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 14,350 | \$ 913,117 | \$ (915,042) | \$ 12,425 |
| Total assets | <u>\$ 14,350</u> | <u>\$ 913,117</u> | <u>\$ (915,042)</u> | <u>\$ 12,425</u> |
| LIABILITIES | | | | |
| Due to others | \$ 14,350 | \$ 913,117 | \$ (915,042) | \$ 12,425 |
| Total liabilities | <u>\$ 14,350</u> | <u>\$ 913,117</u> | <u>\$ (915,042)</u> | <u>\$ 12,425</u> |
| <u>Magistrate Court</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 132,747 | \$ 1,501,777 | \$ (1,517,601) | \$ 116,923 |
| Total assets | <u>\$ 132,747</u> | <u>\$ 1,501,777</u> | <u>\$ (1,517,601)</u> | <u>\$ 116,923</u> |
| LIABILITIES | | | | |
| Due to others | \$ 132,747 | \$ 1,501,777 | \$ (1,517,601) | \$ 116,923 |
| Total liabilities | <u>\$ 132,747</u> | <u>\$ 1,501,777</u> | <u>\$ (1,517,601)</u> | <u>\$ 116,923</u> |
| <u>Juvenile Court</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 12,250 | \$ 19,044 | \$ (20,282) | \$ 11,012 |
| Total assets | <u>\$ 12,250</u> | <u>\$ 19,044</u> | <u>\$ (20,282)</u> | <u>\$ 11,012</u> |
| LIABILITIES | | | | |
| Due to others | \$ 12,250 | \$ 19,044 | \$ (20,282) | \$ 11,012 |
| Total liabilities | <u>\$ 12,250</u> | <u>\$ 19,044</u> | <u>\$ (20,282)</u> | <u>\$ 11,012</u> |
| <u>Total Agency Funds</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 8,954,330 | \$ 407,610,043 | \$ (408,061,937) | \$ 8,502,436 |
| Other receivables | 1,435 | - | (1,435) | - |
| Taxes receivable | 9,399,135 | 95,305,128 | (98,146,880) | 6,557,383 |
| Total assets | <u>\$ 18,354,900</u> | <u>\$ 502,915,171</u> | <u>\$ (506,210,252)</u> | <u>\$ 15,059,819</u> |
| LIABILITIES | | | | |
| Due to others | \$ 8,955,765 | \$ 407,610,043 | \$ (408,063,372) | \$ 8,502,436 |
| Uncollected taxes | 9,399,135 | 95,305,128 | (98,146,880) | 6,557,383 |
| Total liabilities | <u>\$ 18,354,900</u> | <u>\$ 502,915,171</u> | <u>\$ (506,210,252)</u> | <u>\$ 15,059,819</u> |

FORSYTH COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
COMPONENT UNIT - PUBLIC FACILITIES AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2018**

REVENUES

Intergovernmental:

| | |
|--|------------------|
| Payment from Forsyth County Board of Education | \$ 2,335,575 |
| Total revenues | <u>2,335,575</u> |

EXPENDITURES

Debt service:

| | |
|--------------------|------------------|
| Principal | 1,225,000 |
| Interest | <u>1,110,575</u> |
| Total expenditures | <u>2,335,575</u> |

Net change in fund balance -

FUND BALANCE, beginning of year -

FUND BALANCE, end of year \$ -

STATISTICAL SECTION

2018 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 help 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)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | \$ 693,335 | \$ 697,529 | \$ 756,006 | \$ 754,041 | \$ 773,963 | \$ 824,767 | \$ 888,626 | \$ 961,421 | \$ 990,472 | \$ 985,786 |
| Restricted: | | | | | | | | | | |
| Debt service | 23,355 | 28,451 | 29,941 | 30,184 | 20,285 | 18,462 | 15,629 | 15,823 | 16,713 | 15,184 |
| Capital projects | 31,777 | 35,147 | 47,647 | 41,721 | 47,890 | 41,157 | 53,502 | 10,264 | 34,796 | 65,260 |
| Public safety programs | - | - | 6,796 | 8,240 | 8,503 | 8,783 | 8,594 | 8,484 | 10,675 | 11,887 |
| Public works | - | - | - | - | 1,937 | 3,021 | - | - | - | - |
| Judicial programs | - | - | 251 | 249 | 134 | 119 | 90 | 94 | 107 | 93 |
| Jail construction | - | - | 408 | 324 | 233 | 105 | - | - | - | - |
| Grant projects | - | - | 56 | 12 | 4 | - | - | - | - | - |
| Unrestricted: | 28,316 | 45,012 | 36,368 | 47,822 | 67,414 | 73,670 | 31,945 | 30,627 | 38,289 | 67,305 |
| Total governmental activities net position | \$ 776,783 | \$ 806,139 | \$ 877,473 | \$ 882,593 | \$ 920,363 | \$ 970,084 | \$ 978,386 | \$ 1,026,713 | \$ 1,091,062 | \$ 1,145,515 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | \$ 275,887 | \$ 281,932 | \$ 289,344 | \$ 291,107 | \$ 291,107 | \$ 312,319 | \$ 329,049 | \$ 358,440 | \$ 421,277 | \$ 471,770 |
| Restricted | 4,142 | 4,207 | 4,259 | 4,315 | 4,315 | 4,326 | 3,859 | 3,939 | 4,118 | 4,323 |
| Unrestricted | 35,317 | 41,135 | 43,590 | 52,846 | 52,846 | 53,336 | 75,501 | 91,475 | 70,928 | 48,539 |
| Total business-type activities net position | \$ 315,346 | \$ 327,274 | \$ 337,193 | \$ 348,268 | \$ 348,268 | \$ 369,981 | \$ 408,409 | \$ 453,854 | \$ 496,323 | \$ 524,632 |
| PRIMARY GOVERNMENT | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 1,457,556 |
| Restricted | 59,274 | 67,805 | 89,358 | 85,045 | 83,301 | 75,973 | 81,675 | 38,604 | 66,409 | 96,747 |
| Unrestricted | 63,633 | 86,147 | 79,958 | 100,668 | 120,260 | 127,006 | 107,445 | 122,112 | 109,217 | 115,844 |
| Total primary government net position | \$ 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 | \$ 1,670,147 |

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)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General Government | \$ 17,246 | \$ 14,181 | \$ 12,658 | \$ 13,558 | \$ 20,445 | \$ 27,209 | \$ 27,515 | \$ 27,992 | \$ 34,715 | \$ 37,230 |
| Judicial | 11,618 | 11,271 | 11,276 | 12,536 | 11,888 | 13,360 | 14,053 | 14,827 | 15,272 | 15,201 |
| Public Safety | 61,072 | 57,674 | 59,341 | 63,465 | 58,783 | 62,404 | 67,785 | 75,028 | 77,125 | 81,256 |
| Public Works | 15,913 | 15,791 | 15,133 | 21,510 | 25,269 | 19,105 | 58,197 | 30,155 | 26,346 | 27,178 |
| Health and Welfare | 2,483 | 2,529 | 3,108 | 3,131 | 2,686 | 2,767 | 2,756 | 3,128 | 3,011 | 3,473 |
| Culture and Recreation | 15,689 | 13,524 | 12,877 | 15,332 | 14,243 | 16,743 | 16,725 | 17,268 | 19,255 | 20,523 |
| Housing and Development | 5,717 | 4,460 | 4,197 | 4,466 | 7,305 | 4,643 | 5,190 | 5,977 | 6,524 | 7,481 |
| Interest and paying agent fees | 6,400 | 6,360 | 6,207 | 5,960 | 5,353 | 5,723 | 8,136 | 6,792 | 5,781 | 5,678 |
| Total governmental activities expenses | 136,138 | 125,790 | 124,797 | 139,858 | 145,972 | 151,954 | 200,357 | 181,167 | 188,029 | 198,020 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 32,521 | 32,283 | 31,457 | 34,220 | 39,159 | 43,383 | 40,898 | 44,664 | 47,267 | 51,122 |
| Solid waste | 599 | 671 | 789 | 705 | 672 | 792 | 875 | 995 | 888 | 1,354 |
| Total business-type activities expenses | 33,120 | 32,954 | 32,246 | 34,925 | 39,831 | 44,175 | 41,773 | 45,659 | 48,155 | 52,476 |
| Total primary government expenses | \$ 169,258 | \$ 158,744 | \$ 157,043 | \$ 174,783 | \$ 185,803 | \$ 196,129 | \$ 242,130 | \$ 226,826 | \$ 236,184 | \$ 250,496 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | \$ 6,472 | \$ 5,896 | \$ 6,232 | \$ 6,027 | \$ 6,000 | \$ 5,947 | \$ 7,030 | \$ 8,903 | \$ 11,947 | \$ 11,036 |
| Judicial | 4,553 | 4,367 | 4,487 | 4,566 | 4,719 | 4,657 | 5,133 | 5,127 | 5,128 | 5,240 |
| Public Safety | 5,194 | 5,221 | 4,868 | 4,699 | 4,787 | 5,286 | 4,766 | 4,967 | 5,107 | 6,388 |
| Public Works | 1,132 | 1,938 | 2,101 | 4,167 | 4,873 | 4,768 | 5,420 | 6,375 | 10,618 | 10,916 |
| Health and Welfare | 67 | 69 | 92 | 144 | 151 | 81 | 76 | 74 | 69 | 81 |
| Culture and Recreation | 1,868 | 1,849 | 1,895 | 2,266 | 2,543 | 2,644 | 2,639 | 2,668 | 2,829 | 3,030 |
| Housing and Development | 2,588 | 2,800 | 2,845 | 3,764 | 4,495 | 5,202 | 5,708 | 5,822 | 5,592 | 5,678 |
| Total charges for services | 21,874 | 22,140 | 22,520 | 25,633 | 27,568 | 28,585 | 30,772 | 33,936 | 41,290 | 42,369 |
| Operating grants and contributions | 3,084 | 1,347 | 1,283 | 1,343 | 1,658 | 3,736 | 2,694 | 2,190 | 1,442 | 2,035 |
| Capital grants and contributions | 3,967 | 6,200 | 35,503 | 5,365 | 12,055 | 18,186 | 23,119 | 19,743 | 26,121 | 10,782 |
| Total governmental activities program revenues | 28,925 | 29,687 | 59,306 | 32,341 | 41,281 | 50,507 | 56,585 | 55,869 | 68,853 | 55,186 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 28,408 | 30,156 | 32,179 | 32,521 | 33,649 | 34,773 | 39,582 | 45,704 | 40,741 | 47,339 |
| Solid waste | 1,492 | 1,227 | 1,803 | 1,461 | 1,919 | 2,027 | 2,081 | 2,319 | 2,431 | 1,974 |
| Total charges for services | 29,900 | 31,383 | 33,982 | 33,982 | 35,568 | 36,800 | 41,663 | 48,023 | 43,172 | 49,313 |
| Capital grants and contributions | 5,565 | 28,019 | 9,695 | 13,088 | 15,699 | 29,343 | 38,806 | 45,429 | 47,067 | 29,573 |
| Total business-type activities program revenues | 35,465 | 59,402 | 43,677 | 47,070 | 51,267 | 66,143 | 80,469 | 93,452 | 90,239 | 78,886 |
| Total primary government program revenues | \$ 64,390 | \$ 89,089 | \$ 102,983 | \$ 79,411 | \$ 92,548 | \$ 116,650 | \$ 137,054 | \$ 149,321 | \$ 159,092 | \$ 134,072 |

(continued)

FORSYTH COUNTY, GEORGIA

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net (expense)/revenue | \$ (107,213) | \$ (96,103) | \$ (65,491) | \$ (107,517) | \$ (104,691) | \$ (101,447) | \$ (143,772) | \$ (125,298) | \$ (119,176) | \$ (142,834) |
| Governmental activities | 2,345 | 26,448 | 11,431 | 12,145 | 11,436 | 21,968 | 38,696 | 47,793 | 42,084 | 26,410 |
| Business-type activities | \$ (104,868) | \$ (69,655) | \$ (54,060) | \$ (95,372) | \$ (93,255) | \$ (79,479) | \$ (105,076) | \$ (77,505) | \$ (77,092) | \$ (116,424) |
| Total primary government net expense | | | | | | | | | | |
| GENERAL REVENUES AND OTHER | | | | | | | | | | |
| CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | \$ 63,209 | \$ 66,473 | \$ 70,006 | \$ 67,763 | \$ 65,424 | \$ 65,927 | \$ 70,365 | \$ 81,779 | \$ 86,347 | \$ 93,248 |
| Sales Taxes | 46,539 | 50,635 | 54,243 | 57,422 | 57,337 | 62,001 | 64,061 | 66,721 | 69,718 | 74,446 |
| Insurance premium taxes | 4,616 | 4,489 | 7,114 | 7,600 | 7,899 | 8,336 | 8,926 | 9,499 | 10,173 | 10,969 |
| Other taxes | - | 2,898 | 3,154 | 3,489 | 9,854 | 12,990 | 13,774 | 13,028 | 13,719 | 15,815 |
| Total taxes | 114,364 | 124,495 | 134,517 | 136,274 | 140,514 | 149,254 | 157,126 | 171,027 | 179,957 | 194,478 |
| Unrestricted grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Investment earnings | 1,069 | 1,149 | 980 | 749 | 668 | 775 | 787 | 1,091 | 1,828 | 4,022 |
| Miscellaneous | 2,673 | 520 | 1,327 | 784 | 673 | 673 | 723 | 786 | 970 | 1,559 |
| Gain on sale of capital assets | - | - | - | - | 108 | - | - | - | - | - |
| Transfers | - | - | - | 500 | 500 | 465 | 500 | 733 | 750 | 750 |
| Total governmental activities | 118,106 | 126,164 | 136,824 | 138,307 | 142,463 | 151,167 | 159,136 | 173,637 | 183,505 | 200,809 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 594 | 777 | 497 | 231 | 139 | 210 | 179 | 518 | 1,079 | 1,897 |
| Miscellaneous | - | 2 | - | - | - | - | - | - | - | 719 |
| Intergovernmental revenue | - | - | - | 239 | - | - | - | 31 | 33 | 33 |
| Gain on sale of capital assets | - | - | - | - | - | - | - | - | 23 | (1) |
| Transfers | - | - | - | (500) | (500) | (465) | (500) | (733) | (750) | (750) |
| Total business-type activities | 594 | 779 | 497 | (30) | (361) | (255) | (321) | (184) | 385 | 1,898 |
| Total primary government | \$ 118,700 | \$ 126,943 | \$ 137,321 | \$ 138,277 | \$ 142,102 | \$ 150,912 | \$ 158,815 | \$ 173,453 | \$ 183,890 | \$ 202,707 |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | \$ 10,893 | \$ 30,061 | \$ 71,333 | \$ 30,790 | \$ 37,772 | \$ 49,720 | \$ 15,364 | \$ 48,339 | \$ 64,329 | \$ 57,975 |
| Business-type activities | 2,939 | 27,227 | 11,928 | 12,115 | 11,075 | 21,713 | 38,375 | 47,609 | 42,469 | 28,308 |
| Total primary government | \$ 13,831 | \$ 57,288 | \$ 83,261 | \$ 42,905 | \$ 48,847 | \$ 71,433 | \$ 53,739 | \$ 95,948 | \$ 106,798 | \$ 86,283 |

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)

| | 2009 | 2010 | 2011 | (1) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-----------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|------|
| General fund | | | | | | | | | | | |
| Reserved | \$ 14,736 | \$ 22,925 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | - | 4,548 | - | - | - | - | - | - | - | - | - |
| Nonspendable: | | | | | | | | | | | |
| Prepays | - | - | 5 | 161 | 178 | 55 | 42 | 180 | 231 | 246 | |
| Inventory | - | - | 275 | 374 | 378 | 331 | 405 | 417 | 610 | 729 | |
| Long term advances | - | - | - | - | 3,531 | 3,531 | - | - | - | - | |
| 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 | 230 | |
| Capital projects | - | - | 747 | 444 | 712 | 229 | 1,262 | 179 | 69 | 1,100 | |
| Supplies and materials | - | - | 5 | 19 | 139 | 342 | 243 | 7 | 138 | 201 | |
| Health insurance administration | - | - | - | 69 | 50 | - | - | - | - | - | |
| Unassigned | - | - | 35,483 | 38,980 | 41,512 | 46,694 | 43,451 | 52,865 | 51,629 | 54,492 | |
| Total general fund | 14,736 | 27,473 | 37,896 | 44,293 | 47,404 | 51,451 | 53,058 | 54,187 | 53,403 | 56,998 | |

Continued

FORSYTH COUNTY, GEORGIA

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 106,055 | \$ 97,532 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, designated | 8,300 | - | - | - | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 1,935 | 4,988 | - | - | - | - | - | - | - | - |
| Capital projects funds | 417 | 184 | - | - | - | - | - | - | - | - |
| Nonspendable: | | | | | | | | | | |
| Prepays | - | - | - | 6 | 6 | - | - | 70 | 99 | 83 |
| Inventory | - | - | 387 | 369 | 380 | 362 | 383 | 323 | 358 | 355 |
| Long-term advances | - | - | 97 | 48 | - | - | - | - | 480 | - |
| Restricted: | | | | | | | | | | |
| Judicial services | - | - | 251 | 249 | 134 | 119 | 90 | 94 | 107 | 93 |
| Public safety services | - | - | 6,796 | 8,103 | 8,372 | 8,647 | 8,101 | 8,001 | 10,084 | 11,286 |
| 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 | 112,552 |
| Jail construction and equipping | - | - | 408 | 324 | 233 | 104 | - | - | - | - |
| Debt service | - | - | 29,941 | 30,118 | 20,232 | 18,403 | 15,569 | 15,735 | 16,616 | 15,077 |
| Assigned for capital projects | - | - | - | 209 | 20,307 | 22,113 | 23,469 | 23,351 | 29,474 | 23,982 |
| Unassigned | - | - | - | 1,923 | (276) | (2,433) | (230) | (1,331) | (386) | - |
| Total all other governmental funds | 116,707 | 102,704 | 97,859 | 101,596 | 128,354 | 118,857 | 172,746 | 131,827 | 148,646 | 163,429 |
| Total all funds | \$ 131,443 | \$ 130,177 | \$ 135,755 | \$ 145,889 | \$ 175,758 | \$ 170,308 | \$ 225,804 | \$ 186,014 | \$ 202,049 | \$ 220,426 |

(1) 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)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|
| REVENUES | | | | | | | | | | |
| Taxes (see table 5) | \$ 116,381 | \$ 124,817 | \$ 134,633 | \$ 136,607 | \$ 140,547 | \$ 149,249 | \$ 157,188 | \$ 170,877 | \$ 179,885 | \$ 194,343 |
| Licenses and permits | 3,784 | 4,074 | 4,365 | 5,280 | 5,856 | 6,286 | 6,855 | 6,990 | 6,867 | 6,928 |
| Intergovernmental | 5,248 | 2,882 | 4,231 | 3,326 | 9,083 | 3,672 | 9,817 | 5,359 | 5,284 | 6,397 |
| Fines and forfeitures | 4,089 | 3,930 | 3,329 | 3,349 | 3,210 | 4,012 | 3,663 | 3,459 | 3,664 | 3,818 |
| Charges for services | 13,751 | 14,065 | 14,756 | 16,934 | 18,432 | 18,287 | 20,254 | 23,486 | 30,760 | 31,623 |
| Contributions and donations | 140 | 82 | 69 | 71 | 53 | 77 | 868 | 91 | 73 | 134 |
| Investment earnings | 1,377 | 1,192 | 1,004 | 778 | 713 | 824 | 824 | 1,110 | 1,895 | 4,462 |
| Miscellaneous | 2,743 | 1,074 | 1,527 | 854 | 743 | 704 | 723 | 986 | 970 | 2,351 |
| Total revenues | 147,513 | 152,116 | 163,914 | 167,199 | 178,637 | 183,111 | 200,192 | 212,358 | 229,398 | 250,056 |
| EXPENDITURES | | | | | | | | | | |
| General government | 15,216 | 10,742 | 11,075 | 11,294 | 19,834 | 20,418 | 23,754 | 23,242 | 27,410 | 28,318.07 |
| Judicial | 11,107 | 10,942 | 11,599 | 12,288 | 11,685 | 12,416 | 13,104 | 13,580 | 14,092 | 14,912 |
| Public safety | 56,003 | 54,706 | 59,103 | 59,578 | 56,524 | 59,537 | 65,260 | 69,413 | 68,228 | 74,633 |
| Public works | 6,616 | 5,473 | 5,989 | 12,374 | 14,571 | 8,999 | 15,486 | 17,655 | 14,404 | 15,593 |
| Public health and welfare | 2,410 | 2,499 | 3,051 | 3,094 | 2,694 | 2,653 | 2,613 | 2,999 | 3,005 | 3,434 |
| Recreation and culture | 12,095 | 11,563 | 12,245 | 14,152 | 15,289 | 14,262 | 13,879 | 14,067 | 15,637 | 16,054 |
| Housing and development | 5,478 | 4,356 | 4,324 | 4,691 | 7,357 | 4,717 | 5,153 | 5,784 | 6,348 | 7,735 |
| Intergovernmental | - | 1,165 | 1,250 | 1,322 | 647 | 183 | 35,262 | 2,532 | 4,813 | 6,374 |
| Capital Outlay | 54,731 | 34,578 | 32,290 | 23,014 | 29,400 | 85,051 | 44,200 | 73,188 | 41,326 | 43,789 |
| Principal on long-term debt | 1,405 | 10,070 | 10,870 | 11,750 | 12,655 | 4,801 | 32,442 | 28,748 | 9,663 | 15,644 |
| Interest and paying agent fees | 5,670 | 7,198 | 6,736 | 6,480 | 5,231 | 5,594 | 6,407 | 9,046 | 8,923 | 7,089 |
| Bond issuance costs | - | - | - | - | - | - | 811 | - | 439 | - |
| Total expenditures | 170,731 | 153,292 | 158,532 | 160,037 | 175,887 | 218,631 | 258,371 | 260,254 | 214,288 | 233,576 |
| Excess of revenues over (under) expenditures (continued) | (23,218) | (1,176) | 5,382 | 7,162 | 2,750 | (35,520) | (58,179) | (47,896) | 15,110 | 16,480 |

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)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------|------------|----------|-----------|-----------|------------|-----------|-------------|-----------|-----------|
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Sale of County Property | 89 | 32 | 196 | 28 | 276 | 6 | 250 | 2 | 238 | 170 |
| Transfers in | 12,023 | 20,668 | 11,008 | 20,361 | 14,747 | 15,598 | 44,274 | 36,116 | 19,239 | 19,916 |
| Transfers out | (12,023) | (20,668) | (11,008) | (17,695) | (11,628) | (15,133) | (44,064) | (35,883) | (18,999) | (18,189) |
| Capital leases | - | - | - | - | - | - | - | 7,870 | - | - |
| Proceeds from bond refunding | - | - | - | 20,960 | 21,231 | 29,599 | 60,315 | - | 76,830 | - |
| Proceeds from general obligation bond | - | - | - | - | - | - | 96,165 | - | - | - |
| Premium on bonds issued | - | - | - | - | 2,493 | - | 30,645 | - | 7,317 | - |
| Payments to refunded bond escrow agent | - | - | - | (20,682) | - | - | (73,908) | - | (83,698) | - |
| Total other financing sources (uses) | 89 | 32 | 196 | 2,972 | 27,119 | 30,070 | 113,677 | 8,105 | 927 | 1,897 |
| Net change in fund balances | \$ (23,129) | \$ (1,144) | \$ 5,578 | \$ 10,134 | \$ 29,869 | \$ (5,450) | \$ 55,498 | \$ (39,791) | \$ 16,037 | \$ 18,377 |

Debt service as a percentage of noncapital expenditures 6.1% 14.6% 14.3% 13.6% 12.7% 8.0% 19.3% 20.6% 11.0% 12.4%

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 | |
|-------------|----------------|--------|-------------|--------|----------------------|--------|-----------------------|--------|-------------|-------|-------|---------|
| | | | | | | | | | | | | |
| 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 |
| 2018 | | 93,112 | | 74,446 | | 10,771 | | 10,969 | | 5,045 | | 194,343 |

Note: Other taxes include real estate & recording taxes, franchise taxes, alcoholic beverage taxes and hotel/motel taxes. 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)

| Fiscal Year | Tax Year | Real Property | | | Personal Property | | | Less Exemptions: | | | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value (3) | Assessed Value as a Percentage of Actual Value | |
|-------------|----------|----------------------|---------------------------|----------------------------------|---------------------------|----------------|--------------|------------------|---------------|-------------------|------------------------------|-----------------------|------------------------------------|--|--------|
| | | Residential Property | Agricultural Property (1) | Commercial & Industrial Property | Inventory & Equipment (4) | Motor Vehicles | Mobile Homes | Other (2) | Real Property | Personal Property | | | | | |
| 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 | 48,356 | 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 | 7,885,610 | 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% |
| 2019 | 2018 | 10,272,554 | 264,017 | 1,967,296 | 133,687 | 804,276 | 164,739 | 10,896 | 132,310 | 624,877 | 1,370,707 | 10,641,981 | 8.036 | 26,604,953 | 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)

| Fiscal Year | Tax Year | Forsyth County | | | | School District | | | | State | Total Direct & Overlapping Rates |
|-------------|----------|-------------------|--------------|----------------------|----------------------|-------------------|----------------------|----------------------|-------------------|--------|----------------------------------|
| | | Operating Millage | Fire Millage | Debt Service Millage | Total County Millage | Operating Millage | Debt Service Millage | Total School Millage | Operating Millage | | |
| 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 | |
| 2019 | 2018 | 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, 2018
 (amounts expressed in thousands)

| Taxpayer | Type of Business | 2018 | | | | 2009 | | | |
|-------------------------------------|-------------------------|------------------------|------|--|-------|------------------------|------|--|--------------|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | |
| | | | | Value | Value | | | Value | Value |
| Sawnee EMC | Electric Power Utility | \$ 64,192 | 1 | 0.60% | | \$ 46,512 | 1 | 0.52% | |
| Forsyth Owner 1 LP | Developer | 40,000 | 2 | 0.38% | | | | | |
| KRE CH Juncture Owner LLC | Real Estate Holdings | 37,619 | 3 | 0.35% | | | | | |
| Georgia Transmission Corp | Power Transfer Utility | 37,389 | 4 | 0.35% | | 24,283 | 2 | 0.27% | |
| Lennar Georgia Inc. | Real Estate Development | 30,068 | 5 | 0.28% | | | | | |
| Northside Hospital | Healthcare Facility | 27,262 | 6 | 0.26% | | 11,858 | 9 | 0.13% | |
| DD Big Creek LLC | Real Estate Holdings | 27,232 | 7 | 0.26% | | | | | |
| DDR Winter Garden LLC | Real Estate Development | 24,580 | 8 | 0.23% | | | | | |
| United Parcel Service | Mail Delivery Service | 23,166 | 9 | 0.22% | | 20,253 | 4 | 0.23% | |
| Mar Windemere LP | Real Estate Development | 21,464 | 10 | 0.20% | | | | | |
| Siemens Energy and Automation | Manufacturer | | | | | 22,174 | 3 | 0.25% | |
| Scientific Games Products | Lottery Ticket Printing | | | | | 18,085 | 5 | 0.20% | |
| Bellsouth Telecommunications | Telephone Utility | | | | | 13,551 | 6 | 0.15% | |
| Avenue Forsyth, LLC | Shopping Complex | | | | | 13,329 | 7 | 0.15% | |
| Solvay Advanced Polymers, LLC | Plastic Manufacturer | | | | | 12,839 | 8 | 0.14% | |
| Hendon/Atlantic Rim John Creek, LLC | Real Estate | | | | | 11,231 | 10 | 0.13% | |
| Totals | | \$ 332,972 | | | | \$ 194,115 | | 3.13% | 2.17% |

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 | |
| 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% | 3,874 | 66,173 | 99.62% | 252 |
| 2012 | 2011 | 11/15/11 | 64,220 | (560) | 206 | 63,866 | 60,935 | 94.88% | 2,695 | 63,630 | 99.63% | 236 |
| 2013 | 2012 | 11/15/12 | 62,782 | (580) | 149 | 62,351 | 59,802 | 95.25% | 2,386 | 62,188 | 99.74% | 163 |
| 2014 | 2013 | 11/15/13 | 63,593 | (559) | 150 | 63,184 | 61,239 | 96.30% | 1,813 | 63,052 | 99.79% | 132 |
| 2015 | 2014 | 11/15/14 | 66,304 | 9 | 103 | 66,416 | 64,430 | 97.17% | 1,745 | 66,175 | 99.64% | 241 |
| 2016 | 2015 | 11/15/15 | 77,541 | (764) | 111 | 76,888 | 74,248 | 95.75% | 2,552 | 76,800 | 99.89% | 88 |
| 2017 | 2016 | 11/15/16 | 82,227 | (427) | 52 | 81,852 | 78,873 | 95.92% | 2,919 | 81,792 | 99.93% | 60 |
| 2018 | 2017 | 11/15/17 | 88,981 | (611) | 20 | 88,390 | 86,403 | 97.10% | 1,877 | 88,280 | 99.88% | 110 |
| 2019 | 2018 | 11/15/18 | 95,299 | (1,096) | 59 | 94,262 | 92,094 | 96.64% | - | 92,094 | 97.70% | 2,168 |

Source: Forsyth County Tax Commissioner's Office

Note:

Taxes levied during the calendar year 2018 are recorded as revenues in the financial statements in 2019 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, 2018

| Customer Name | Business | Gallons Metered | Total Water Billed | % of Total Billings |
|-------------------------------------|----------------------|-----------------|----------------------|---------------------|
| Forsyth County Schools | School System | 69,942,100 | \$ 425,938 | 1.64% |
| Truby Inc | Private Water System | 27,974,070 | 107,396 | 0.41% |
| Forsyth County Parks and Recreation | Government | 14,294,870 | 106,979 | 0.41% |
| A and A Water Company LLC | Private Water System | 20,121,700 | 79,857 | 0.31% |
| KRE CH Juncture Owner LLC | Apartments | 11,075,620 | 76,636 | 0.29% |
| Mar Windermere LP | Apartments | 12,275,810 | 61,676 | 0.24% |
| Forsyth Owner 1 LP | Commercial Developer | 14,630,940 | 57,808 | 0.22% |
| TS Big Creek LLC | Apartments | 13,656,700 | 54,288 | 0.21% |
| BR Big Creek LeaseCo LLC | Apartments | 10,937,300 | 44,125 | 0.17% |
| Summit Cross Apartments | Apartments | 9,423,500 | 38,404 | 0.15% |
| All other customers | | | 24,934,693 | 95.95% |
| | | | Total Billing | |
| | | | \$ 25,987,800 | |

FORSYTH COUNTY, GEORGIA

**TABLE 9C
TOP 10 SEWER CUSTOMERS
December 31, 2018**

| Customer Name | Business | Gallons Metered | Total Sewer Billed | % of Total Billings |
|---------------------------------|----------------------|------------------------|---------------------------|----------------------------|
| Forsyth County Schools | School System | 52,863,680 | \$ 286,883 | 1.67% |
| Forsyth Owner 1 LP | Commercial Developer | 14,348,170 | 72,657 | 0.42% |
| TS Big Creek LLC | Apartments | 13,656,700 | 70,129 | 0.41% |
| Mar Windermere LP | Apartments | 11,212,310 | 57,754 | 0.34% |
| BR Big Creek Lease Co LLC | Apartments | 10,937,300 | 56,439 | 0.33% |
| Summit Crossing Apartments | Apartments | 9,423,500 | 48,117 | 0.28% |
| Scientific Games | Manufacturing | 8,261,400 | 42,353 | 0.25% |
| Walton Bluegrass Apartments LLC | Apartments | 8,110,400 | 41,881 | 0.24% |
| D R Horton | Commercial Developer | 8,026,480 | 62,602 | 0.36% |
| KRE CH Juncture Owner LLC | Apartments | 7,827,500 | 41,362 | 0.24% |
| All other customers | | | 16,440,979 | 95.47% |
| Total Billing | | | \$ 17,221,156 | |

FORSYTH COUNTY, GEORGIA

**TABLE 9D
WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2018**

| METER SIZE (1) | TAP FEE EXISTING LINES | MINIMUM MONTHLY CHARGES |
|---------------------------|---------------------------------------|--|
| 5/8 | \$ 2,238 | \$ 12 |
| 3/4 | 2,238 | 12 |
| 1 | 3,805 | 16 |
| 1 1/2 | 7,385 | 21 |
| 2 | 11,862 | 31 |
| 3 | 22,380 | 93 |
| 4 | 37,375 | 129 |
| 6 | 74,526 | 259 |
| 8 | 119,286 | 466 |

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

| | |
|-------|-----------|
| WATER | \$ 44.15 |
| SEWER | \$ 69.61 |
| TOTAL | \$ 113.76 |

Source: The Water Rate Resolution adopted August 2018.
(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)

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|--------------------------|--------------------|------------|--------------------------|---------------|------------|--------------------------|-----------------------------------|----------------|
| | General Obligation Bonds | Capital Leases (2) | Total | Revenue Bonds (2) | Notes Payable | Total | | | |
| 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 |
| 2018 | 186,217 | 10,456 | 196,673 | 187,406 | 6,243 | 193,649 | 390,322 | 4.13% | 1,650 |

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)**

| Fiscal Year | Governmental Activities | | | | | Business-Type Activities | | | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|-------------------------|--------------------------|----------------|-----------------------|----------|--------------------------|--------------------------------|----------|----------|-------|--------------------------|-----------------------------------|----------------|
| | Compensated Absences | Total (1) OPEB Liability | Claims Payable | Net Pension Liability | Total | Compensated Absences | Landfill Closure / Postclosure | Total | Total | | | | |
| 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 | |
| 2018 | 8,530 | 5,669 | 5,547 | 4,652 | 24,398 | 724 | 1,050 | 1,774 | 26,172 | 0.28% | | 111 | |

Note: Details regarding the County's long-term liabilities can be found in the notes to the financial statements.
(1) The County implemented GASB 75 in 2018.

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) |
| 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 |
| 2018 | 186,217 | 15,077 | 171,140 | 0.64% | 723 |

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, 2018
 (amounts expressed in thousands)

| Governmental Unit | Debt Outstanding | Percentage Applicable to Government | Amount Applicable to Government |
|--|-----------------------------|--|--|
| Overlapping | | | |
| Forsyth County School District | \$ 359,256 | 100.00% | \$ 359,256 |
| Forsyth County direct debt | 196,673 | 100.00% | 196,673 |
| Total direct and overlapping debt | \$ 555,929 | | \$ 555,929 |

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)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Assessed value of property | \$ 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 | \$ 13,749,785 |
| Debt limit (10% of total assessed value) | 1,034,317 | 989,893 | 923,929 | 892,717 | 878,836 | 926,697 | 1,084,063 | 1,100,847 | 1,203,616 | 1,374,979 |
| Amount of Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | 147,280 | 137,210 | 126,340 | 116,395 | 128,277 | 152,756 | 241,561 | 209,672 | 201,678 | 186,217 |
| Less: Resources restricted to paying principal | (23,355) | (28,308) | (29,941) | (30,118) | (20,232) | (18,403) | (15,569) | (15,735) | (16,616) | (15,077) |
| Total net debt applicable to limit | 123,925 | 108,902 | 96,399 | 86,277 | 108,045 | 134,353 | 225,992 | 193,937 | 185,062 | 171,140 |
| Legal debt margin | \$ 910,392 | \$ 880,991 | \$ 827,530 | \$ 806,440 | \$ 770,791 | \$ 792,344 | \$ 858,071 | \$ 906,910 | \$ 1,018,554 | \$ 1,203,838 |
| Total net debt applicable to the limit as a percentage of debt limit | 11.98% | 11.00% | 10.43% | 9.66% | 12.29% | 14.50% | 20.85% | 17.62% | 15.38% | 12.45% |

FORSYTH COUNTY, GEORGIA

**TABLE 14
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|----------------|----------------|--------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|
| Income (loss) of the System (1) | \$ (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) | \$ (2,075,010) |
| Plus: | | | | | | | | | | |
| Interest on debt | 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 | 6,390,645 |
| Depreciation and amortization | 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 | 14,633,880 |
| | 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 | 18,949,515 |
| Connection fees accounted for as capital contributions (2) | 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 | 14,083,395 |
| Cash flow available for debt service | 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 | 33,032,910 |
| Annual debt service requirements | 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 | 13,150,296 |
| Debt service coverage ratio | 1.12 | 1.55 | 1.87 | 2.20 | 2.26 | 2.33 | 3.42 | 2.74 | 2.14 | 2.51 |

(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 | | | |
| 2009 | 174,520 | \$ 6,477,283 | \$ 37,115 | 34 | 90.5% | 43.7% | 30,763 | 4.80% | |
| 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% | |
| 2018 | 236,612 | 9,439,872 | 39,896 | 38 | 92.5% | 50.2% | 49,657 | 3.10% | |

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

| Employer | 2018 | | | 2009 | | |
|--------------------------------------|----------------|------|---------------------------------------|---------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Forsyth County Schools | 6,000 | 1 | 5.29% | 4,196 | 1 | 5.41% |
| Northside Hospital - Forsyth | 3,100 | 2 | 2.73% | 1,380 | 2 | 1.78% |
| Forsyth County Government | 1,389 | 3 | 1.22% | 1,113 | 4 | 1.44% |
| Koch Foods | 1,200 | 4 | 1.06% | 1,015 | 6 | 1.31% |
| Scientific Games International, Inc. | 1,110 | 5 | 0.98% | 1,050 | 5 | 1.35% |
| Tyson Foods, Inc. | 1,110 | 6 | 0.98% | 1,200 | 3 | 1.55% |
| Siemens Industry, Inc. | 700 | 7 | 0.62% | 532 | 7 | 0.69% |
| ARRIS Group, Inc | 600 | 8 | 0.53% | 315 | 8 | 0.41% |
| L3 Communications | 400 | 9 | 0.35% | | | |
| Solvay Specialty Polymers, LLC | 300 | 10 | 0.26% | | | |
| Kaplan Higher Education Corp. | | | | 337 | 9 | 0.43% |
| Healthport Technologies | | | | 290 | 10 | 0.37% |
| All other employers | 97,489 | | 85.97% | 66,089 | | 85.26% |
| Total | 113,398 | | 100.00% | 77,517 | | 100.00% |

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

FORSYTH COUNTY, GEORGIA

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

| Function | Full-time Equivalent Employees as of December 31 | | | | | | | | | |
|---------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| General Government (1) | 173 | 168 | 170 | 172 | 171 | 187 | 195 | 200 | 215 | 207 |
| Judicial | 108 | 108 | 119 | 124 | 116 | 110 | 115 | 125 | 138 | 143 |
| Public Health and Welfare | 23 | 25 | 27 | 28 | 29 | 29 | 22 | 35 | 47 | 37 |
| Public Safety | | | | | | | | | | |
| Police | 424 | 366 | 367 | 373 | 331 | 328 | 358 | 395 | 436 | 425 |
| Officers | 367 | 289 | 285 | 295 | 273 | 268 | 302 | 332 | 398 | 349 |
| Civilians | 57 | 77 | 82 | 78 | 58 | 60 | 56 | 63 | 38 | 76 |
| Fire | 149 | 148 | 148 | 145 | 151 | 172 | 166 | 192 | 196 | 180 |
| Firefighters and officers | 140 | 140 | 140 | 138 | 145 | 166 | 160 | 184 | 187 | 156 |
| Civilians | 9 | 8 | 8 | 7 | 6 | 6 | 6 | 8 | 9 | 24 |
| E-911 and Coroners Office | 41 | 38 | 37 | 38 | 38 | 41 | 39 | 40 | 48 | 43 |
| Public Works | 80 | 77 | 77 | 79 | 78 | 76 | 77 | 80 | 84 | 102 |
| Recreation and Culture | 60 | 59 | 60 | 64 | 63 | 65 | 67 | 71 | 74 | 76 |
| Housing and Development | 38 | 34 | 35 | 37 | 39 | 47 | 42 | 51 | 61 | 59 |
| Solid Waste | 9 | 9 | 9 | 9 | 7 | 6 | 8 | 9 | 9 | 11 |
| Water & Sewer | 74 | 73 | 71 | 74 | 74 | 78 | 78 | 99 | 110 | 106 |
| Total | 1,179 | 1,105 | 1,120 | 1,143 | 1,097 | 1,139 | 1,167 | 1,297 | 1,418 | 1,389 |

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 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------|--------|---------|------------|------------|--------|--------|--------|--------|--------|
| Sheriff | | | | | | | | | | |
| Physical arrests | 6,163 | 5,337 | 5,032 | 4,523 | 4,528 | 4,920 | (3) | 6,727 | 5,678 | 6,037 |
| Traffic violations | 37,305 | 39,791 | 30,024 | 17,140 (1) | 11,357 (1) | 12,985 | (3) | (3) | 18,720 | 20,963 |
| Fire | | | | | | | | | | |
| Number of calls answered | 10,934 | 11,530 | 11,566 | 12,361 | 12,738 | 12,799 | 13,283 | 13,873 | 14,993 | 14,441 |
| Inspections | 2,707 | 3,556 | 3,897 | 3,056 | 2,280 | 3,422 | 5,918 | 7,608 | 6,422 | 7,060 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 69 | 80 | 60 | 73 | 46 | 49 | 57 | 65 | 63 | 53 |
| Potholes repaired | 503 | 502 | 305 (2) | 322 | 397 | 558 | 235 | 389 | 525 | 801 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons/day) | 6 | 6 | 6 | 6 | 6 | 5 | 6 | 6 | 7 | 7 |
| Recyclables collected (tons/day) | 6 | 5 | 6 | 6 | 6 | 5 | 8 | 5 | 6 | 8 |
| Water | | | | | | | | | | |
| New connections | 591 | 894 | 1,043 | 1,603 | 2,064 | 2,120 | 2,566 | 2,282 | 2,143 | 2,009 |
| Water mains breaks | 54 | 52 | 72 | 61 | 48 | 60 | 60 | 91 | 86 | 59 |
| Average daily consumption (thousands of gallons) | 9,998 | 11,650 | 12,160 | 11,900 | 10,750 | 11,998 | 12,830 | 15,210 | 14,241 | 14,784 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 3,805 | 4,124 | 3,900 | 3,700 | 2,740 | 2,553 | 2,894 | 3,222 | 3,372 | 3,881 |

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 significant 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 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Public safety | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Precincts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of vehicles | 318 | 317 | 338 | 338 | 324 | 316 | 374 | 391 | 345 | 349 |
| Fire: | | | | | | | | | | |
| Stations | 13 | 13 | 13 | 13 | 12 | 12 | 12 | 12 | 13 | 13 |
| Number of vehicles | 66 | 67 | 63 | 65 | 66 | 90 | 94 | 95 | 95 | 90 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 1,145 | 1,095 | 1,099 | 1,109 | 1,114 | 1,128 | 1,157 | 1,169 | 1,165 | 1,158 |
| Streetlights | - | - | - | 22 | 22 | 33 | 66 | 66 | 72 | 72 |
| Traffic signals | 61 | 65 | 71 | 70 | 70 | 71 | 71 | 71 | 71 | 73 |
| Culture and recreation | | | | | | | | | | |
| Parks acreage | 2,500 | 2,600 | 3,250 | 3,250 | 3,250 | 3,250 | 3,250 | 3,250 | 3,250 | 3,250 |
| Parks | 17 | 18 | 18 | 23 | 23 | 23 | 23 | 25 | 25 | 25 |
| Baseball/softball fields | 48 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| Tennis courts | 24 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| Soccer/Football fields | 17 | 23 | 24 | 24 | 24 | 24 | 24 | 28 | 32 | 32 |
| Playgrounds | 12 | 14 | 14 | 20 | 20 | 20 | 21 | 21 | 21 | 21 |
| Community centers | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Water | | | | | | | | | | |
| Water mains (miles) | 932 | 939 | 949 | 941 | 948 | 963 | 986 | 1,009 | 1,051 | 1,065 |
| Fire hydrants | 6,230 | 6,413 | 6,450 | 6,562 | 6,718 | 6,681 | 9,473 | 9,481 | 9,677 | 8,254 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 481 | 483 | 509 | 478 | 497 | 509 | 538 | 562 | 601 | 613 |

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) |
|--------------------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| 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 |
| 2018 | 14.78 | 19.95 | 61,632 | 32,533 |

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

(2) Number at year end.

SINGLE AUDIT SECTION

2018 COMPREHENSIVE **ANNUAL FINANCIAL REPORT**





**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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 14, 2019. 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. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of January 1, 2018.

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 2018-001, 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.



Atlanta, Georgia
June 14, 2019



**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, 2018. 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, 2018.

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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 14, 2019

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

| 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 | 2017-DJ-BX-0828 | \$ 10,139 |
| Passed through the Criminal Justice Coordinating Council: | | | |
| VOCA Victims Assistance Grant (Sheriff) | 16.575 | C16-8-191 | 68,042 |
| VOCA Victims Assistance Grant (District Attorney) | 16.575 | C16-8-207 | 99,365 |
| VOCA Victims Assistance Grant (Sheriff) | 16.575 | C17-8-034 | 20,853 |
| VOCA Victims Assistance Grant (District Attorney) | 16.575 | C17-8-171 | 28,994 |
| | | | <u>217,254</u> |
| Equitable Sharing Program | 16.922 | GA-0580000 | 181,335 |
| Total U.S. Department of Justice | | | <u>408,728</u> |
| U.S. DEPARTMENT OF TRANSPORTATION | | | |
| Passed through the Georgia Department of Transportation: | | | |
| Formula Grants for Other than Urbanized Areas | 20.509 | T006159 | 128,679 |
| Formula Grants for Other than Urbanized Areas | 20.509 | T006250 | 88,740 |
| | | | <u>217,419</u> |
| Passed through the Georgia Department of Transportation: | | | |
| Highway Planning and Construction Cluster | 20.205 | 12639 | 440,995 |
| Passed through the Governor's Office of Highway Safety: | | | |
| Highway Enforcement Aggressive Traffic (H.E.A.T.) | 20.600 | GA-2018-402PT-161-C1 | 241,036 |
| Total U.S. Department of Transportation | | | <u>899,450</u> |
| 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 | 22,404 |
| Special Programs for the Aging: Title III, Part C | 93.045 | 427-93-07070254-99 | 199,607 |
| Nutrition Services Incentive | 93.053 | 427-93-07070254-99 | 29,218 |
| Total Aging Cluster | | | <u>251,229</u> |
| Passed through the Legacy Link, Inc: | | | |
| Social Services Block Grant | 93.667 | 427-93-07070254-99 | 21,445 |
| Passed through Deanna, Inc: | | | |
| Congregate Meal Transportation - TANF Cluster | 93.558 | 427-93-07070254-99 | 86,479 |
| Total U.S. Department of Health and Human Services | | | <u>359,153</u> |
| U.S. DEPARTMENT OF DEFENSE | | | |
| Passed through the Office of the State Treasurer of Georgia: | | | |
| Payments in Lieu of Taxes - Flood Lands | 12.112 | 2018 | 274,717 |
| Total U.S. Department of Defense | | | <u>274,717</u> |
| U.S. DEPARTMENT OF THE INTERIOR | | | |
| Payments in Lieu of Taxes | 15.226 | 2018 | 52,736 |
| Total U.S. Department of the Interior | | | <u>52,736</u> |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | |
| Passed through Georgia Emergency Management Agency: | | | |
| Emergency Management Performance Grant | 97.042 | OEM17-060 | 36,722 |
| Emergency Management Performance Grant | 97.042 | OEM18-060 | 50,000 |
| Hurricane Irma Disaster Relief Program | 97.042 | FEMA-4338-DR-GA | 84,605 |
| | | | <u>171,327</u> |
| Total U.S. Department of Homeland Security | | | <u>171,327</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,166,111</u> |

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, 2018

(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, 2018

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? yes no

Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes no

Significant deficiencies identified? yes 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 no

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|--|
| 12.112 | Payments in Lieu of Real Estate Taxes (Flood Control Lands) |
| 20.205 | Highway Planning and Construction Cluster |
| 16.922 | Equitable Sharing Program |

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2018-001 Reporting of Capital Assets

Criteria: Internal controls should be in place to ensure that capital assets are properly valued and recognized in the financial statements of the County in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient to timely detect material misstatements related to the reporting of the County's capital assets.

Context/Cause: During our testing of capital assets we noted the following:

- For governmental capital assets, we noted that the County was consistently and correctly allocating the value of donated capital assets between the land and the road in accordance with their policy. However, the County doubled the total land and road value when adding it to the governmental activities capital asset detail. This created an overstatement of the County's capital asset balances as of year-end by \$5,019,611.
- For water and sewer capital assets, we noted the County improperly expensed infrastructure assets thus understating capital assets. An adjusting entry was posted for \$465,702 to properly state capital assets and expenses.

Effects: As a result of the issues noted above, the total misstatements related to the reporting of capital assets was \$5,485,313.

Recommendation: We recommend the County carefully review all valuations for any governmental capital assets that are donated throughout the year. We also recommend the County review expense accounts for any assets that should be capitalized at year-end.

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

FORSYTH COUNTY, GEORGIA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

2017-001 Revenues and Related Balance Sheet Accounts

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.

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



Forsyth County Finance Department

DAVID G. GRUEN, Chief Financial Officer

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2018

2018-001 Reporting of Capital Assets

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

Corrective Action Plan: As of January 1, 2019, the general fund capital asset transaction process was moved to our operations-financial analyst. Our fixed asset accountant responsibilities are now focused on our annual capital asset replacement program as well as auditing the asset inventory. Along with the change in responsibility, an additional layer of internal controls has been put in place by using upgraded capabilities within our financial software. It is now required that all purchased assets workflow through our "Capital Asset Workfile" prior to being capitalized. This additional review ensures that all assets are accounted for correctly as well as lowering the risk of double posting.

The Finance Director and Accounting Manager will implement an additional level of review each year-end regarding the contra accounts as they relate to the capital asset transaction within the Water and Sewer Department.

Anticipated Completion Date: In Place