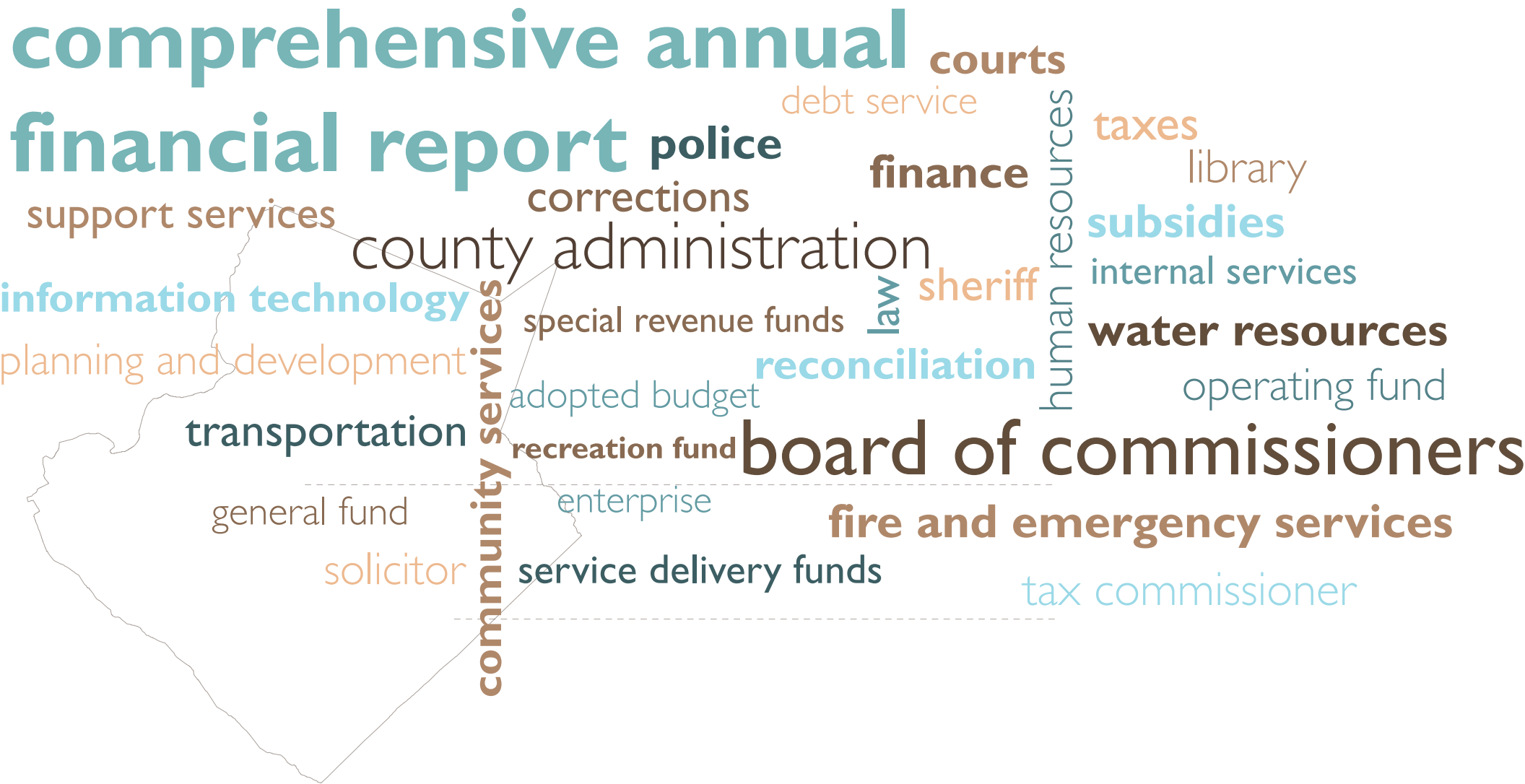




# Comprehensive Annual **Financial Report**

Year Ended December 31, 2013

**2013**  
gwinnettcountry, georgia



**gwinnettcounty, georgia**  
Comprehensive Annual Financial Report  
Year ended December 31, 2013

Prepared by:  
Department of **Financial Services**  
and the **Communications Division**

County Commission



Charlotte J. **Nash**  
CHAIRMAN

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Jace **Brooks**  
DISTRICT 1

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Lynette **Howard**  
DISTRICT 2

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Tommy **Hunter**  
DISTRICT 3

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John **Heard**  
DISTRICT 4

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## Table of Contents

### Introductory Section (Unaudited)

Letter of Transmittal .....	1
Profile of the Government .....	2
Assessing the County's Economic Condition.....	3
Accomplishments.....	8
Awards and Acknowledgements.....	10
Certificate of Achievement for Excellence in Financial Reporting.....	12
Gwinnett County Organizational Chart .....	13
Department Directors, Elected Officials, and Judicially Appointed Officials.....	14
Financial Services Organizational Chart.....	15
Accounting and GL Division .....	16

### Financial Section

Independent Auditors' Report.....	17
Management's Discussion and Analysis.....	20
Overview of the Financial Statements.....	20
Financial Highlights.....	24
Governmentwide Financial Analysis.....	25
Financial Analysis of the Government's Funds .....	29
General Fund Budgetary Highlights.....	31
General Fund Actual Expenditures versus Budget Highlights.....	31
Capital Assets.....	32
Debt Administration.....	33
Economic Factors.....	34
Next Year's Budgets and Rates.....	36
Requests for Information .....	36
Basic Financial Statements	
Statement of Net Position .....	37
Statement of Activities.....	38
Governmental Funds Balance Sheet.....	39
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Activities.....	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	41

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	42
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund.....	43
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budget Basis) – Fire and EMS District Fund.....	44
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budget Basis) – Police Services District Fund.....	45
Proprietary Funds – Statement of Net Position.....	46
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Fund Net Position.....	47
Proprietary Funds – Statement of Cash Flows .....	48
Fiduciary Funds – Statement of Fiduciary Net Position .....	49
Pension (and Other Employee Benefit) Trust Funds Statement of Changes in Fiduciary Net Position .....	50
Component Units – Combining Statement of Net Position .....	51
Component Units – Combining Statement of Activities.....	52
Notes to the Financial Statements (The notes to the Financial Statements are an integral part of the “liftable” basic financial statements).....	53
 Required Supplementary Information	
Defined Benefit Pension Plan.....	107
Other Post-Employment Benefits.....	108
 Other Supplementary Information	
Non-Major Governmental Funds.....	109
Other Governmental Funds – Combining Balance Sheet.....	112
Other Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	114
Budgetary Compliance.....	117
Special Revenue Funds – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	118
Capital Projects Funds – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	124
Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	126
Grant Fund – Schedule of Revenues and Expenditures – Budget and Actual.....	127

Other Enterprise Funds	
Other Enterprise Funds – Combining Statement of Net Position .....	129
Other Enterprise Funds – Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	130
Other Enterprise Funds – Combining Statement of Cash Flows.....	131
Internal Service Funds	
Internal Service Funds – Combining Statement of Net Position.....	133
Internal Service Funds – Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	134
Internal Service Funds – Combining Statement of Cash Flows .....	135
Fiduciary Funds	
Pension (and Other Employee Benefit) Trust Funds Combining Statement of Plan Net Position.....	137
Pension (and Other Employee Benefit) Trust Funds Combining Statement of Changes in Plan Net Position .....	138
Agency Funds – Combining Statement of Fiduciary Assets and Liabilities.....	139
Agency Funds – Combining Statement of Changes in Fiduciary Assets and Liabilities.....	140

## **Statistical Section (Unaudited)**

Net Position by Components – Last Ten Years.....	S-1
Changes in Net Position – Last Ten Years.....	S-2
Fund Balances, Governmental Funds – Last Ten Years.....	S-4
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S-5
Assessed Value and Estimated Value of Taxable Property – Last Ten Fiscal Years .....	S-6
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	S-7
Principal Property Tax Payers – Current Year and Nine Years Ago.....	S-8
Property Tax Levies and Collections – Last Ten Fiscal Years .....	S-9
Ratios of Outstanding Debt by Type – Last Ten Years .....	S-10
Legal Debt Margin Information – Last Ten Fiscal Years .....	S-11
Pledged-Revenue Coverage – Water and Sewerage – Last Ten Fiscal Years.....	S-12
Summary of County Direct and Overlapping Debt by Category .....	S-13
Demographic and Economic Statistics – Last Ten Fiscal Years .....	S-14
Principal Employers – Current Year and Nine Years Ago .....	S-15
Full-Time Equivalent County Employees by Function – Last Ten Fiscal Years .....	S-16
Operating Indicators by Function – Last Ten Years.....	S-17
Capital Asset Statistics by Function – Last Ten Years .....	S-18

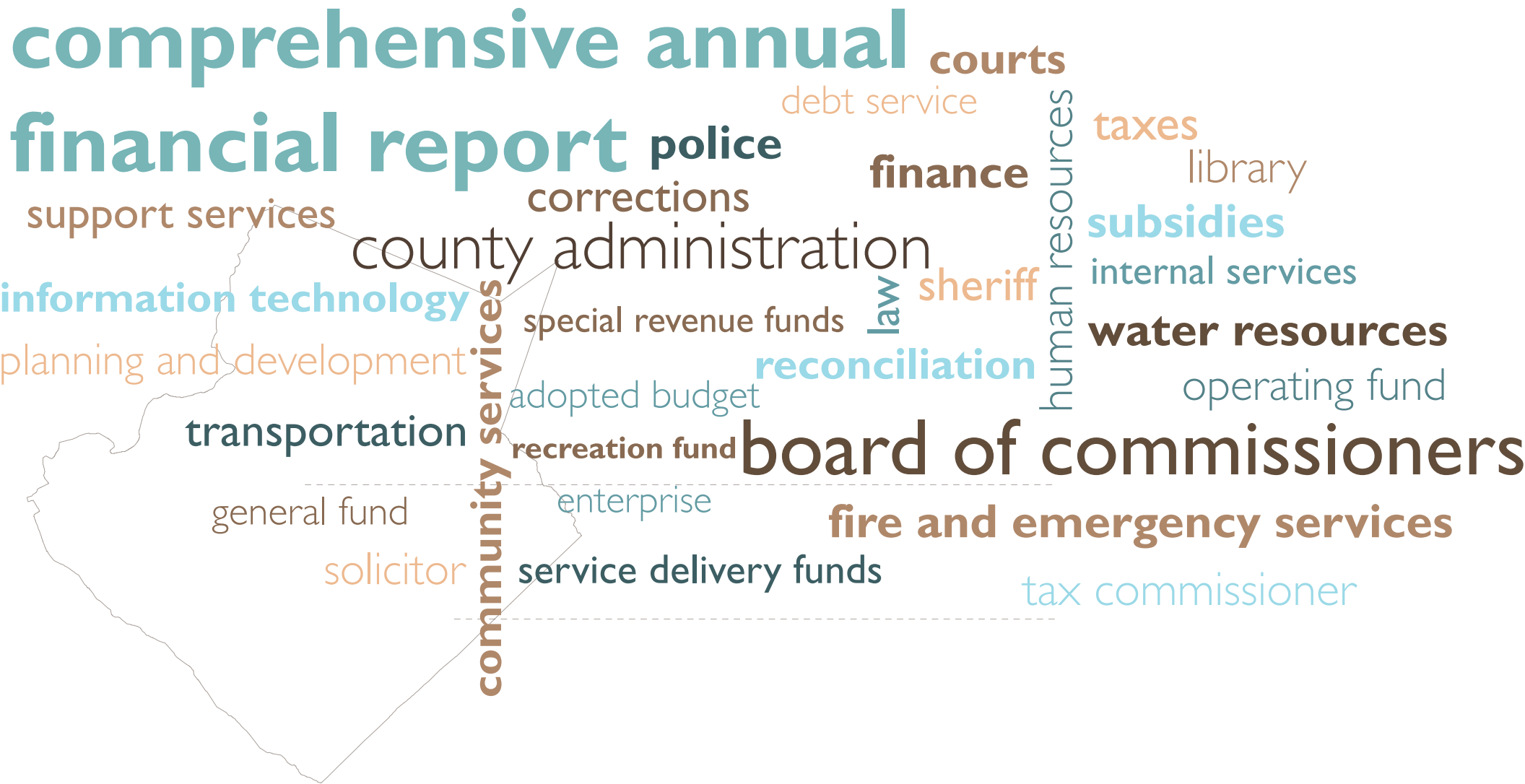


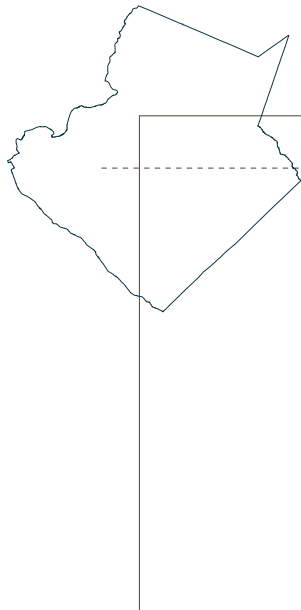
**Single Audit Section**

Single Audit Section.....SA-1  
 Single Audit Section – Index .....SA-3  
 Schedule of Expenditures of Federal, State, and Local Awards.....SA-4  
 Notes to Schedule of Expenditures of Federal, State, and Local Awards.....SA-18  
 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.....SA-19  
 Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on  
 Internal Control Over Compliance Required by OMB Circular A-133 .....SA-21  
 Schedule of Findings and Questioned Costs.....SA-23

**Disclosure Section (Unaudited)**

Disclosure Section.....D-1  
 Continuing Annual and Event Disclosures.....D-2  
 Agreement and Affected Bond Issue .....D-2  
 Description of the Water and Sewer System .....D-3  
     The Water System.....D-3  
     The Sewerage System.....D-14  
 Annual Financial Information.....D-19  
 Security for the Bonds.....D-21  
 Annual Debt Service Requirements.....D-23  
 Required Notices.....D-24  
 Other Information.....D-25





## • introductory section

Letter of Transmittal  
GFOA Certificate of Achievement  
Gwinnett County Organizational Chart  
County Administration/Department Directors  
Elected and Judicially Appointed Officials  
Department of Financial Services Organizational Chart  
Accounting Division



Department of Financial Services  
**Office of the Director**

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May 15, 2014

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

Georgia state law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report ("the CAFR") of Gwinnett County, Georgia ("the County") for the fiscal year ended December 31, 2013.

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

The County's financial statements have been audited by Mauldin & Jenkins Certified Public Accountants, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2013, were free of material misstatement. The independent audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded the statements were fairly presented in conformity with GAAP and issued an unmodified opinion. The independent auditor's report is presented as the first component of the financial section of the report.

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



GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A contains a narrative overview and analysis of the financial activities of the County. Gwinnett County's MD&A can be found on pages 20 – 36 immediately following the independent auditors' report. This transmittal letter, which is designed to assist users in assessing the government's financial condition, should complement the MD&A.

## **Profile of the Government**

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

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

### **Population**

For the past 20 years, Gwinnett County has been among the fastest growing counties in America. According to the U.S. Census Bureau's estimates released in March 2014, Gwinnett added an estimated 18,729 residents from July 1, 2012 to July 1, 2013, a growth rate of 2.2 percent.

According to Moody's Analytics, Gwinnett's population was estimated at 855,459 in 2013, and is expected to exceed one million by the year 2020. Gwinnett's talented labor force, premier schools, rich diversity of cultures, award-winning parks and recreation facilities, and affordable real estate continue to attract many businesses, newcomers, and visitors to the area.

### **Government Structure and Services Provided**

The County's governing authority consists of a five-member Board of Commissioners, including a full-time chairman elected at-large and four part-time commissioners elected within districts. The County Administrator reports to the Board of Commissioners and manages the County's daily operations. The County also has 23 other elected officials, eight judicially-appointed officials, and four retired senior judges. A complete list is located on page 14.

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

## **Service Delivery Strategy**

In 2012, Gwinnett County and 15 cities (excluding the newly-formed City of Peachtree Corners) reached a negotiated settlement on how services will be provided. State law requires that cities and counties operate under a Service Delivery Strategy (SDS) agreement that defines the services to be provided by each jurisdiction and sets out how those services are funded. As a result, the County and its cities entered into new SDS agreements that affect the way the County budgets and provides some services. These agreements created four new service districts that became effective on January 1, 2013. The service districts include all of the different areas in Gwinnett County that receive designated services provided by county government. The new service district funds are reported in this document. More information on the new service districts can be found on the [Gwinnett County Service Districts Explained](#) page on the County's website.

## **Bond Rating**

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

## **Assessing the County's Economic Condition**

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

### **Local Economy**

In recent years, despite a challenging economic environment, the local economy in Gwinnett County has prevailed. Many international and domestic firms have relocated or expanded their operations in Gwinnett, creating additional employment opportunities in the area. In August 2013, CNN Money Magazine recognized Gwinnett County on its *Where the Jobs Are* list, ranking the County ninth on a national list of the top 25 counties where prospects for employment are promising. From 2010 to 2012, the County achieved an 11.3 percent job growth rate. The County's reputation as a leading community in global business helps it attract and support growing companies.

In addition to the County's recent job growth, another indicator of the County's movement toward economic recovery is the increase in building permit revenues experienced over the last four years. Since reaching a low of \$1.5 million in 2009, building permit revenues gradually increased from 2010 to 2013. By 2013, building permit revenues reached \$3.2 million, the highest the County has seen since 2008.

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







## **Long-Term Financial Planning and Economic Development**

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

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

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

1. Ensure the County can maintain financial sustainability
2. Ensure the County has sufficient long-term information to guide financial decisions
3. Ensure the County has sufficient resources to provide programs and services for the stakeholders
4. Ensure potential risks to ongoing operations are identified in the long-term financial planning process and communicated on a regular basis
5. Establish mechanisms to identify early warning indicators
6. Identify changes in expenditure or revenue structures needed to deliver services or to meet the goals adopted by the Board of Commissioners

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

In addition to the LTFP, the County has developed other long-term planning tools to help map out its future such as the 2030 Unified Plan. The Board of Commissioners adopted the 2030 Unified Plan in February 2009. This plan will guide the County's growth and infrastructure development for decades and is an innovative roadmap for smart growth in Gwinnett. The 2030 Unified Plan coordinated the updates of the Comprehensive Plan, the Consolidated Plan, the Comprehensive Transportation Plan, and the Water and Sewer Master Plan.

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

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

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

### **Decline in the Digest**

Perhaps the most noticeable impact of the recent economic recession on County finances has been the declining property tax digest. Prior to the recession, Gwinnett experienced the benefits of a growing tax digest for many years. Over the last five years, however, there has been an approximately 20 percent drop in the digest.

Gwinnett County has been challenged by the need to balance core services with declining tax revenues over the last five years. The County balanced the fiscal year 2013 budget by continuing cost-saving measures such as the 90-day job vacancy program, no employee raises, and no new positions. These cost-saving initiatives were successful in helping the County maintain conservative financial forecasts and end the year on solid financial footing.

County officials believe the 2013 tax digest represents the bottom of the drop in overall tax values in Gwinnett. The County anticipates steady recovery in the tax digest in the coming years. Slight growth is anticipated for 2014 as values of existing properties stabilize and new construction is added to the digest.

### **Rising Health Care Costs**

Rising health care costs continue to affect the County in several areas. The County is addressing the issue using a multi-faceted approach. One aspect of that approach is promoting wellness and disease management. In 2013, the County continued to seek new and innovative ways to slow the rise in health benefit costs. The County worked with broker Aon Hewitt to prepare for the implementation and resulting impact of 2014 *Affordable Care Act* provisions. Recognizing which factors within its control and educating employees and retirees about those factors will continue to be the County's primary focus.





### **Accrued Liabilities**

A challenging area for the County, like other governments, has been funding its Defined Benefit (DB) Pension and Other Post-Employment Benefits (OPEB) plans. Beginning in 2007, the County closed the DB pension plan to new employees and committed to amortize the unfunded liability over 20 years, the projected service time of remaining participants. With the County's commitment to reduce the unfunded pension and OPEB liabilities and increase the funding ratio of these plans, budget savings in recent years have been contributed to pay down accrued liabilities. Investment returns averaging more than 13 percent over the past five years have also helped improve the funding ratio.

In 2013, the County continued to make aggressive contributions to both plans totaling \$68.6 million. The \$68.6 million included not only the required annual contribution of \$48.4 million, but also an extra contribution of nearly \$20.2 million, with \$20 million deposited into the DB plan and \$175,953 deposited into the OPEB trust.

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

### **Environmental Sustainability**

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

Some of the environmentally friendly initiatives that took place in 2013 include:

- Continued construction of phase 2 of the Gwinnett County Senior Services Center, which is scheduled for occupancy in January 2014. This project will complete the consolidation of Senior Services' administrative, casework, and food service functions in a single, modern Leadership in Energy and Environmental Design (LEED)-certified facility.
- Rebuilt Briscoe Field taxiway and replaced incandescent lighting with energy-saving LED fixtures.
- Solid waste haulers collected 189,142 tons of residential waste, 6.6 tons of yard waste, and 29,742 tons of recyclables.
- Annual recycling events collected 22 tons of electronics, 12.5 tons of paper, 12 tons of tires, 1,150 gallons of paint, 1,000 pounds of batteries, and 631 pairs of sneakers.
- Rebates helped homeowners replace 4,400 inefficient toilets, and the County's toilet recycling program has kept more than 250 tons of porcelain out of landfills.

The County also achieved the Silver Level Certified Green Community designation from the Atlanta Regional Commission (ARC).



## **Capital Improvement Program**

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

In November 2013, the residents of Gwinnett County approved a referendum authorizing the County to extend the one percent Special Purpose Local Option Sales Tax (SPLOST) for three years, beginning in April 2014. The 2014 SPLOST collections will be used to fund a portion of the County's CIP in 2014. Approximately 70 percent of the 2014 SPLOST collections will be used to fund County transportation projects. The remaining 30 percent will be used to fund public safety facilities/equipment, recreational facilities/equipment, library relocation/renovation, and senior services facilities.

## **Internal Controls**

County management maintains internal accounting controls to ensure that the County's assets are protected from loss, theft, or misuse; adequate accounting data allows financial statements to conform to GAAP. These controls provide reasonable, but not absolute, assurance of meeting the County's objectives, recognizing that: 1) the cost of an accounting control should not exceed the likely benefit, and 2) evaluating costs and benefits requires management estimates and judgments.

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

- Long-Term Financial Planning Policy
- Operating and Capital Budget Policy
- Investment Policy
- Capital Asset Investment and Management Policy
- Reserve policies for the General Fund, Special Revenue Funds, and Enterprise Funds

The County plans to continue developing additional financial policies in the future. Most recently, the County developed Debt Management and Business Expenditure policies, and they were adopted by the Board of Commissioners on April 1, 2014.

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





### **Budgetary Controls**

No later than December 1 of each year, the Chairman of the Board of Commissioners submits a proposed budget for the ensuing calendar year for each County fund. The Board reviews the document, meets the legal requirements for advertising the budget and for holding public hearings, and then adopts the annual financial plan at the first regularly-scheduled Commissioner meeting of the year. Sound financial management and legal compliance require effective budget controls. State statutes require the County to operate under an annual balanced budget adopted by local resolution or ordinance. Within each fund, expenditures may not legally exceed appropriations at the department level. An automated funds-availability verification process provides operational control of departmental budgets. More details are in **Note 2** of the Notes to Financial Statements.

### **Internal Audit**

The internal audit function is housed within the Performance Analysis Division (PAD). PAD works directly with the County Administrator's office on a daily basis to build a "Committee of Sponsoring Organizations" (COSO)-based audit approach. PAD also has the responsibility of overseeing the County's Performance Management and Balanced Scorecard Program. The main focus of the audit function is to provide a review of internal controls across all departments by performing a range of audits which include financial, compliance, and operational reviews.

### **Accomplishments**

Gwinnett County was able to accomplish many objectives throughout the year as a result of visionary leadership supported by long-term planning, community collaboration, flexibility, and the willingness to take action. Some of the accomplishments that align with the County's vision include:

*"Enjoy essential economic opportunities"*

A leader in investment and job creation in metro Atlanta, Gwinnett County is home to the Fortune 500 and global headquarters of AGCO Corporation, NCR, Primerica, and RockTenn. More than 60 international companies have chosen Gwinnett for their U.S. or global headquarter operations, including Mitsubishi Electric, Ricoh Electronics, Suniva, and WIKA Instruments.

Investment and trade is encouraged through the relocation and expansion assistance of local and regional partners. Gwinnett County caters to domestic and international businesses of all sizes and works to promote the following targeted sectors: Advanced Manufacturing, Headquarters and Professional Services, Health Sciences and Services, Information Technology Solutions, and Supply Chain Management.

The Gwinnett County Board of Commissioners has a strong commitment to the attraction of new capital investment and jobs for local residents. This culminated with the creation of Partnership Gwinnett, a public-private economic development initiative. The initiative was later established as a non-profit, Partnership Gwinnett PFE, Inc., in September 2012, and has been a tremendous success, garnering regional and national attention. Since 2007, more than \$800 million in new capital investment and 11,500 new jobs have been announced.



## *"Safe neighborhoods"*

Gwinnett County is committed to providing quality public safety for residents and businesses. The Police Department answered more than 440,000 E-911 calls in 2013. Thanks to their commitment, the County experienced a drop in the violent crime rate in 2013, and 95 percent of residents surveyed reported feeling safe in their neighborhoods.

The Police Department initiated a Crime-Free Multi-Housing Program (CFMH) in 2012. This neighborhood safety initiative resulted in more than 550 arrests and 346 evictions executed by apartment managers during 2013. More than 900 residents participated in 26 programs instructed through the CFMH including community safety meetings and women's safety classes in 2013. Additionally, the Police Department distributed nearly 6,000 crime prevention and awareness materials, such as brochures, flyers, pamphlets, and magnets, into the community.

Fire and Emergency Services responded to nearly 67,000 fire- and medical-related calls during 2013. Fire staff performed 13,448 fire and life-safety inspections and delivered 1,179 education programs, which included life-saving CPR/AED training for more than 60,000 residents.

## *"Plentiful greenspace and recreational facilities"*

Gwinnett County Parks and Recreation operates 46 parks and facilities that include 170 sports fields, 51 tennis courts, 40 outdoor basketball courts, five year-round and seven seasonal aquatic facilities, seven dog park areas, six cultural/historic sites, more than 123 miles of trails, seven skate complexes, 67 playgrounds, picnic areas, pavilions, fishing lakes, and more. The County's award-winning parks and leisure activities offer a never ending source of fun activities any time of year. From a stroll on a trail, to playing a sport, to a fitness or pottery class, there is something for everyone.

Two major SPLOST projects, the expansion of Rabbit Hill Park and the baseball/softball complex at Harbins Park, were completed in 2013.

## *"Making life better for our citizens"*

To help motorists plan their routes before leaving the home or office, the Department of Transportation completed an upgrade to the GC Smart Commute website in 2013 to provide still images of traffic that get updated every two minutes from CCTV cameras installed throughout the county. The website also contains streaming video from select Gwinnett County traffic cameras.

The Gwinnett County Cooperative Extension Service, an educational division of the Department of Community Services that operates as part of the University of Georgia's College of Agriculture and Environmental Sciences and College of Family and Consumer Sciences, provides opportunities for lifelong learning through research-based education programs in the areas of youth development, environment, and family and consumer sciences. In 2013, the Cooperative Extension Service presented 1,083 youth, family, and environmental programs.





Additional efforts to make life better for residents in 2013 were achieved through programs like Partnership Gwinnett PFE, Inc. and HomeSafe Gwinnett. Planning and Development coordinated County projects with Partnership Gwinnett PFE, Inc. which included capital investments associated with two companies and created an estimated 350 jobs. The department also partnered with the Georgia Department of Community Affairs on their HomeSafe Georgia initiative, a program established to address the foreclosure crises and its effects on Gwinnett’s neighborhoods. As a part of this effort, a Housing Task Force was created to analyze the potential for public-private partnerships. With the support of HomeSafe Georgia, the Housing Task Force, Partnership Gwinnett PFE, Inc., and Gwinnett County’s elected officials and staff, Gwinnett’s housing market is on its way to a healthy restoration within our community.

*“Partnering with Others in our Community”*

Based upon recommendations of a 42-member citizens’ committee for the future of Gwinnett, *Engage Gwinnett*, the County set a goal of achieving one million volunteer hours by 2015, but the community exceeded this goal in 2013 with 1,025,942 hours, two years ahead of schedule.

Gwinnett County Parks and Recreation partners with 28 volunteer youth athletic associations to offer sports such as baseball/softball, basketball, cheerleading, football, soccer, roller hockey, and lacrosse.

The Department of Community Services currently partners with 973 public/private organizations and businesses that allow divisions the opportunity to enhance or provide funding for certain programs/services.

## **Awards and Acknowledgements**

In 2013, for the 32<sup>nd</sup> consecutive year, Gwinnett County received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the fiscal year ended December 31, 2012. The award honors easily readable, efficiently organized, comprehensive annual financial reporting that conforms to program standards. The certificate recognizes the use of GAAP and meeting applicable legal requirements. The County intends to maintain and surpass this standard and to submit this and future reports to GFOA for consideration.

Other awards in 2013 included:

- *Distinguished Budget Presentation Award* from the Government Finance Officers Association (GFOA)
- *Achievement of Excellence in Procurement Award* from the National Purchasing Institute
- *2013 Achievement Awards* from the National Association of Counties (NACo) for Volunteer Gwinnett, Code of Ethics training, SeniorBSafe, and Waterfowl Management Plan

- *2013 Awards of Excellence* from the National Association of County Information Officers (NACIO) for Volunteer Gwinnett and Code of Ethics training
- *Governor's Public Safety Act of Heroism Awards* to four SWAT team members and four firefighters
- *Clean Air Campaign 2013 PACE Awards* – UPS Exemplary Diesel Idle Reduction Program and Local Government Champion
- *2013 Environmental/Conservation Award* and *Park and Recreation Program Award* from National Association of County Parks and Recreation Officials and *Agency of the Year* from Georgia Recreation and Park Association, District 7
- Gwinnett County Cooperative Extension Service staff received numerous state and national awards for excellence
- Gwinnett Fire named *Outstanding Agency of the Year* by SafeKids of Georgia
- *Education Excellence Award* from the Solid Waste Association of North America
- *2013 Outstanding Public Member Agency Award* for leadership in promoting Intelligent Transportation Systems goals
- *Natural Environment Project of the Year 2012 – 2013* to Water Resources' Stormwater Management from the Georgia Section of American Society of Civil Engineers

This document is made possible by the commitment of Financial Services staff throughout the year and especially during the annual audit and CAFR preparation. We recognize and appreciate the willingness of each County department and agency to work together toward common goals to benefit Gwinnett's residents. We also thank Mauldin & Jenkins Certified Public Accountants, LLC, for their assistance. We extend appreciation and thanks to Chairman Charlotte J. Nash, the District Commissioners, and County Administrator Glenn P. Stephens for their support, guidance, and advice in planning and conducting the County's financial activities in a responsible and progressive manner. Our continued solid financial position in 2013 is a tribute to their dedication.

Respectfully submitted,



Maria B. Woods  
CFO/Director of Financial Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Gwinnett County  
Georgia**

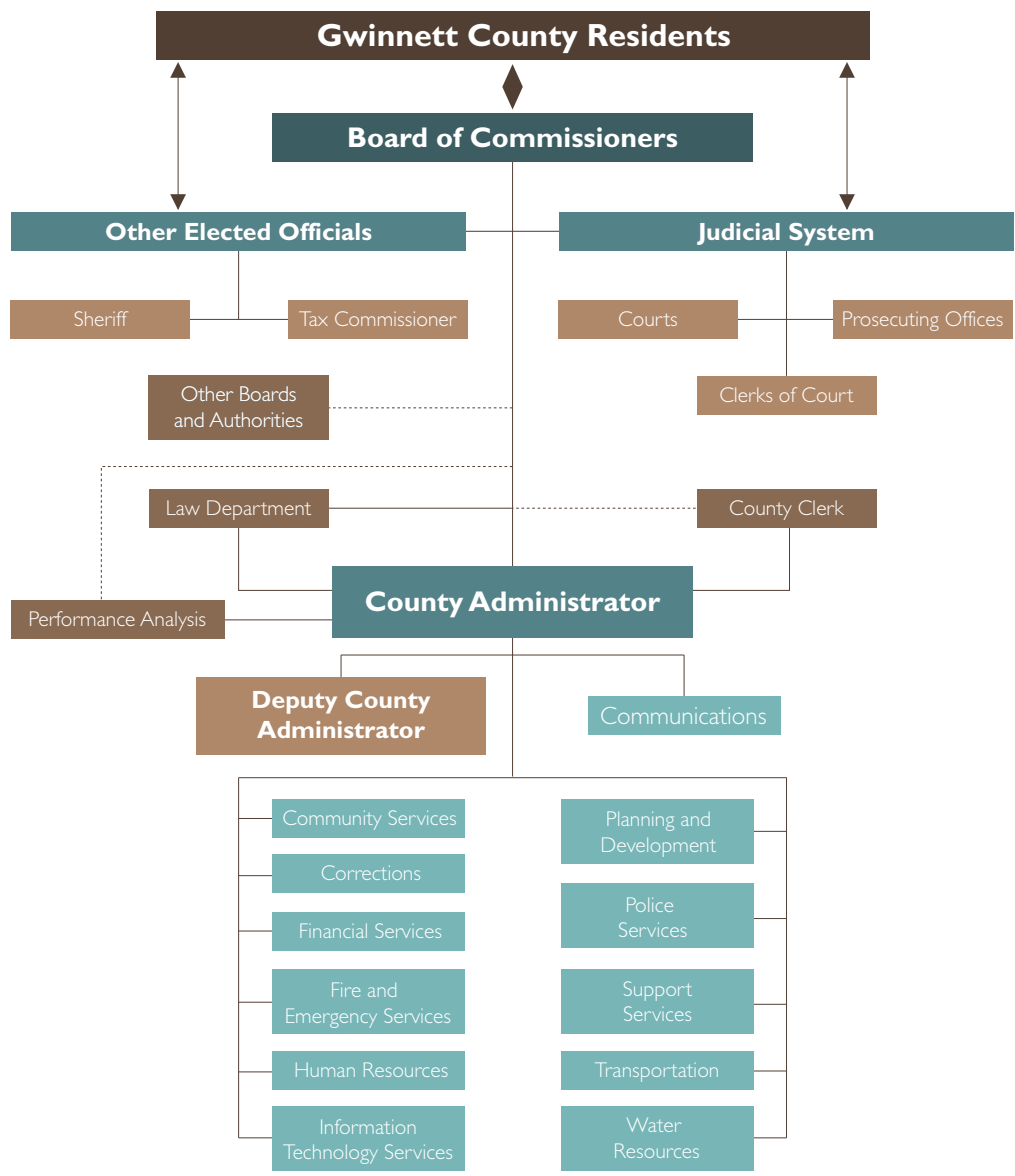
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO



## Gwinnett County Organizational Chart





## County Administration/Department Directors

---

County Administrator  
Glenn P. **Stephens**

Deputy County Administrator  
Phil **Hoskins**

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

Community Services  
Phil **Hoskins**, Director

Corrections  
Darell **Johnson**, Warden

Financial Services  
Maria **Woods**, CFO/Director

Fire and Emergency Services  
Chief Casey **Synder**

Human Resources  
Scott **Fuller**, *Acting Director*

Information Technology Services  
Abe **Kani**, Director

Planning and Development  
Bryan **Lackey**, Director

Police Services  
Chief Charles M. **Walters**

Support Services  
Angelia **Parham**, Director

Transportation  
Kim **Conroy**, Director

Water Resources  
Ron **Seibenhener**, Director

## Elected Officials

---

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

District Attorney  
Daniel J. **Porter**

Chief Magistrate Court Judge  
Kristina H. **Blum**

Probate Court Judge  
Christopher A. **Ballar**

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

Solicitor  
Rosanna **Szabo**

Tax Commissioner  
Richard **Steele**

State Court Judges  
Pamela D. **South**, Chief Judge

Joseph C. **Iannazzone**

Carla E. **Brown**

Randolph G. **Rich**

John F. **Doran Jr.**

Emily J. **Brantley**

Howard E. **Cook**, Senior Judge

Robert W. **Mock Sr.**, Senior Judge

Superior Court Judges  
Melodie **Snell-Conner**, Chief Judge

Michael C. **Clark**

Debra K. **Turner**

R. Timothy **Hamil**

Ronnie K. **Batchelor**

Thomas N. **Davis Jr.**

Warren P. **Davis**

Karen E. **Beyers**

Kathryn M. **Schrader**

George F. **Hutchinson III**

K. Dawson **Jackson**, Senior Judge

Fred A. **Bishop Jr.**, Senior Judge

## Judicially Appointed Officials

---

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

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

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

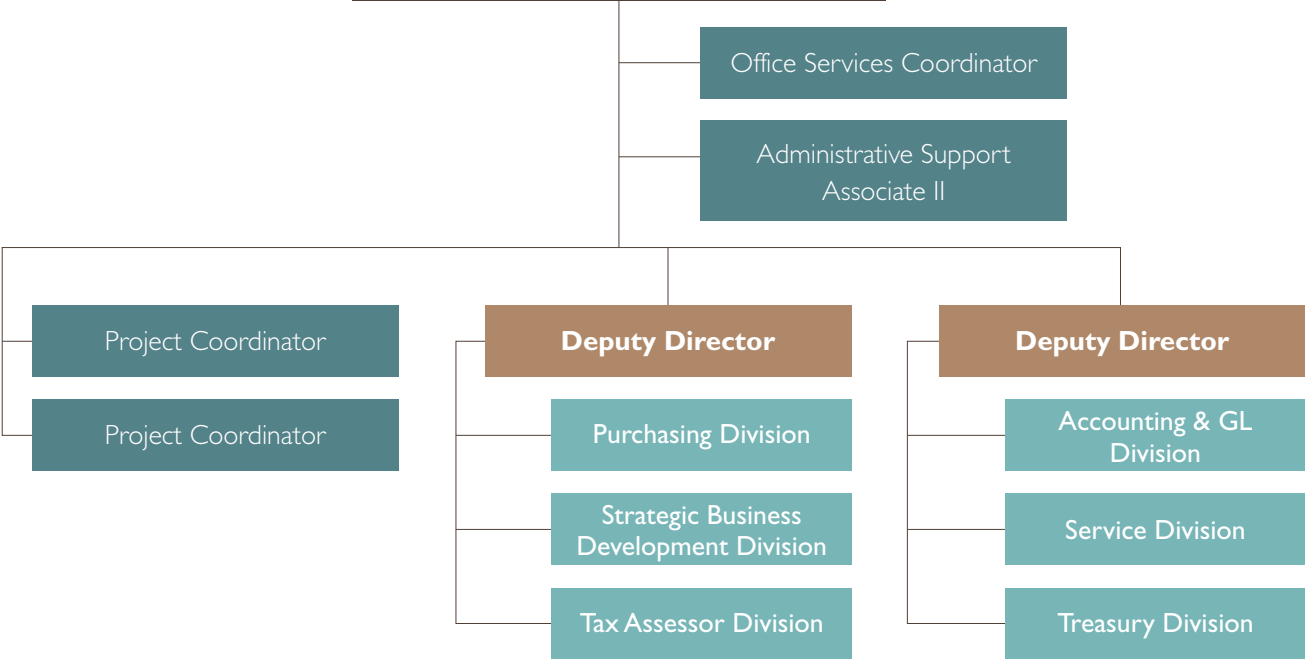
Court Administrator  
Philip M. **Boudewyns**

**Financial Services Organization Chart**

Department of **Financial Services**

Director's Office

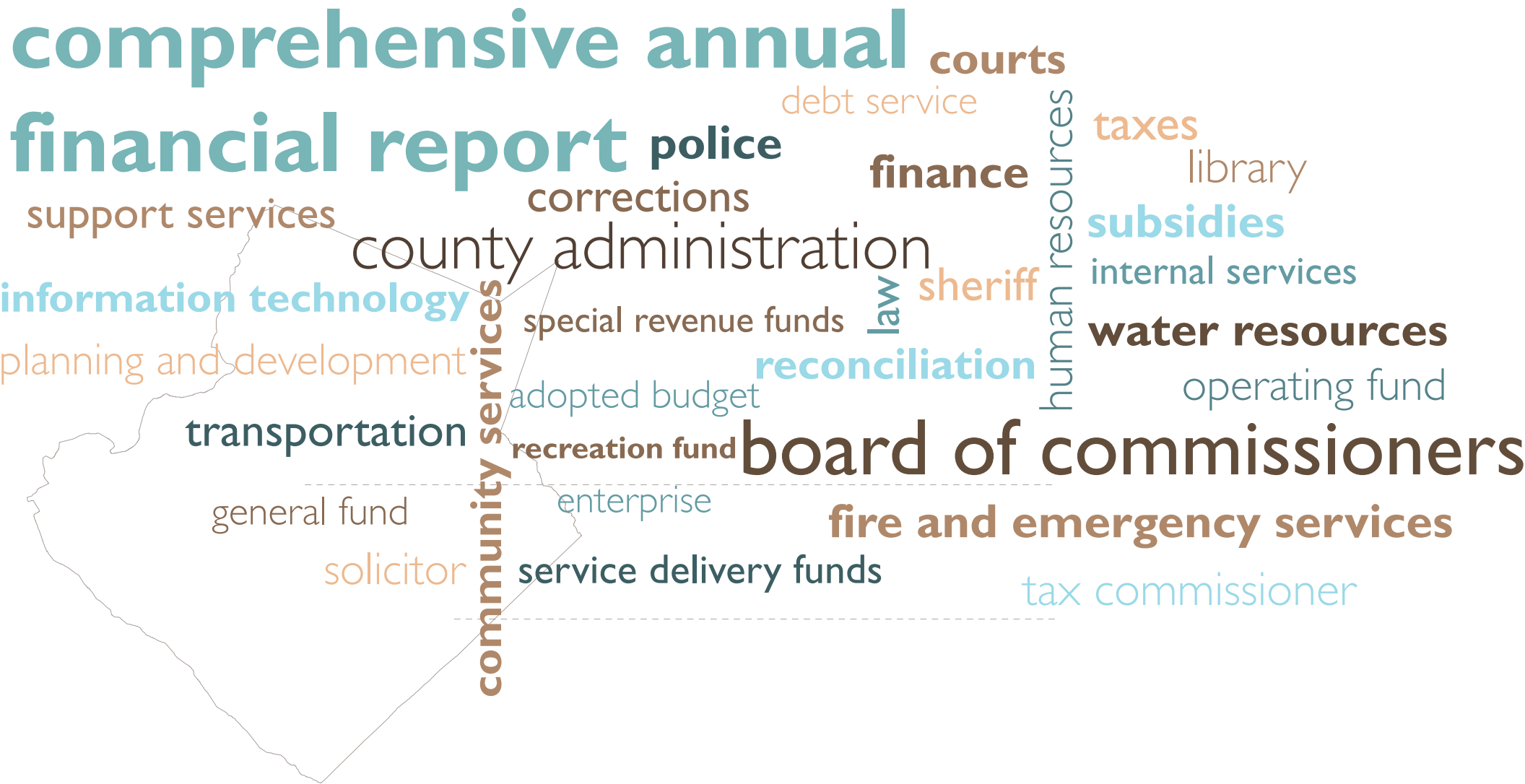
**CFO/Department Director**

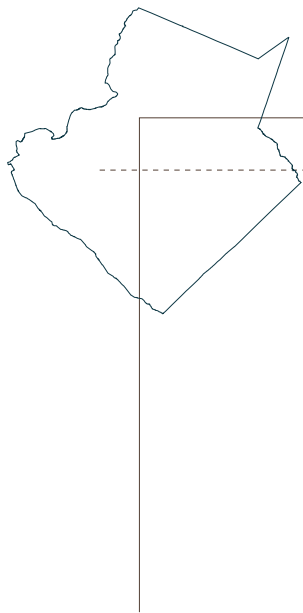


## **Accounting & GL Division**

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

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





• financial section

Independent Auditors' Report  
Management's Discussion and Analysis





## INDEPENDENT AUDITORS' REPORT

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**The Board of Commissioners of Gwinnett County**  
Lawrenceville, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Gwinnett County, Georgia** (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gwinnett County Board of Health, which represents 9%, 79%, and 50%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gwinnett County Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gwinnett County, Georgia, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund, the Fire and EMS Services District Fund, and the Police Service District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress on pages 20 through 36 and pages 107 and 108, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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*Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



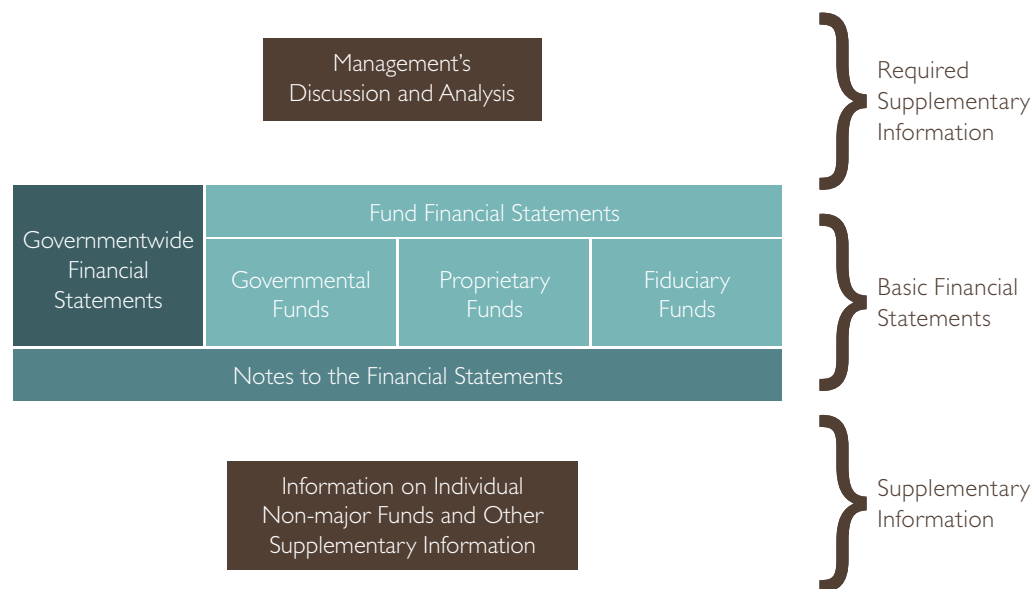
Atlanta, Georgia  
May 7, 2014

## Management's Discussion and Analysis

As management of Gwinnett County, Georgia, we offer readers of Gwinnett County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the County's financial activities; 3) identify changes in the County's financial position; 4) identify material deviations from the original budget; and 5) identify individual fund issues or concerns. We encourage readers to consider the information presented within this section in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

## Overview of the Financial Statements

This document is arranged in the following format:



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



**Governmentwide financial statements:** The governmentwide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the primary government. There are two governmentwide statements, the statement of net position and the statement of activities, which are produced using the accrual basis of accounting. Additional information on the accrual basis of accounting can be found in **Note 1** on page 54 of this report.

The statement of net position presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources (for all fund types except fiduciary), with the difference between these reported as net position. Increases or decreases in net position serve as a useful indicator of whether the financial position of the County is improving or deteriorating. This statement combines the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement." The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events giving rise to the changes in net position, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Each of the governmentwide financial statements distinguish functions of the County that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, judiciary, public works, health and welfare, culture and recreation, housing and development, tourism, and development authority. The business-type activities of the County include water and sewer, airport, solid waste, stormwater, and transit.

The governmentwide financial statements include Gwinnett County itself (known as the primary government), the Public Library System, the Gwinnett County Health Department, and the Gwinnett County Development Authority. These legally separate entities are designated as component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Water and Sewer Authority, the Airport Authority, the Recreation Authority, the Public Facilities Authority, and the Stormwater Authority, although also legally separate, operate solely on behalf of departments of the County and therefore are included as integral parts of the primary government.

The governmentwide financial statements can be found on pages 37 – 38 of this report. The component unit combining statements are on pages 51 – 52.

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

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

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

The County maintains separate governmental funds to account for the following activities: General; Special Revenue (Fire and Emergency Medical Services District, Police Services District, Street Lighting, Speed Hump, Authority Imaging, Juvenile Court Supervision, Tree Bank, Tourism, Stadium, Sheriff Special Justice, Sheriff Special Treasury, Sheriff Special State, Police Special Justice, Police Special Treasury, Police Special State, Crime Victims Assistance, District Attorney Federal Asset Sharing, Corrections Inmate Welfare, Sheriff Inmate, E-911, Loganville Emergency Medical Services District, Development and Enforcement Services District, Recreation, and Grant); Capital Projects (2005 Sales Tax, 2009 Sales Tax, and Other Capital Projects); and Debt Service. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire and Emergency Medical Services District, Police Services District, Other Capital Projects, 2005 Sales Tax and 2009 Sales Tax Funds, all of which are considered to be major funds. Data from the other (non-major) governmental funds are combined into a single, aggregated column.

Governmental funds are reported on the modified accrual basis of accounting. Information on the modified accrual basis of accounting can be found in **Note 1** on page 54 of this report.

Gwinnett County adopts an annual appropriated budget for its general, special revenue, debt service, and capital projects funds. A budgetary comparison statement has been provided for the General Fund, Fire and EMS District Fund, and Police Services District Fund. These statements are found on pages 43 – 45. The basic governmental fund financial statements can be found on pages 39 – 42.

**Proprietary funds:** Gwinnett County maintains two different types of proprietary funds. Enterprise funds are used to account for quasi-business functions where revenues typically come from charges or fees (gallons of water used, airport rental, etc.) rather than taxes. The County uses enterprise funds to account for its water and sewer, airport, solid waste, stormwater, and transit activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions based on usage. The County uses internal service funds to account for its administrative support, fleet, group self-insurance, risk management, and auto liability activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the governmentwide financial statements.

Gwinnett County adopts an annual budget for management purposes for its enterprise and internal service funds. Proprietary funds provide the same type of information as the governmentwide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water and Sewer and Stormwater, which are considered to be major funds of the County. Data from the other (non-major) enterprise funds are combined into a single, aggregated column. Internal services funds are also presented in a single column.

The basic proprietary fund financial statements, which are reported on the accrual basis of accounting, can be found on pages 46 – 48 of this report.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmentwide financial statements because the resources of those funds are not owned by or available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds, and their financial statements are reported on the accrual basis of accounting as well. Gwinnett County maintains seven fiduciary funds, called agency funds, for Tax Commissioner, Clerk of the Courts, Recorder's Court, Sheriff, Probate Court, Juvenile Court, and Corrections. The agency funds are presented in total, in one column in the Statement of Fiduciary Net Position on page 49. The County also maintains fiduciary funds for Pension and Other Post-Employment Benefits (OPEB) trust funds. These funds are aggregated and presented on pages 49 and 50.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the governmentwide and fund financial statements. The notes to the financial statements can be found on pages 53 – 106 of this report.

## Financial Highlights

- Gwinnett County's assets and deferred outflows of resources exceeded liabilities at December 31, 2013 by \$6,264,389,000 (net position). Of this amount, \$700,138,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$717,166,000, an increase of \$66,906,000 when compared to the prior year. This increase is largely attributable to delayed capital expenditures. Of the \$717,166,000 total governmental fund balance, \$133,687,000 remains in the General Fund as unassigned.
- At December 31, 2013, the County's General Fund reported a fund balance of \$135,929,000, a decrease of \$38,442,000, or 22 percent, from last fiscal year.
- Gwinnett County's total long-term bonds decreased by \$80,865,000 during the current fiscal year. This decrease is attributed to principal payments and redemption of callable General Obligation Bonds in early 2013.
- In 2013, Water and Sewerage Fund revenues were up approximately 2 percent, or \$5.4 million, over the prior year, primarily due to a water and sewer rate increase. Operating expenses increased \$16.8 million over 2012. The year-over-year increase in expenses is mainly attributable to an increase in depreciation due to a large number of equipment assets being placed in service at the Yellow River Water Reclamation Facility.
- In fiscal year 2013, the County created the following three special revenue funds as a result of a Service Delivery Strategy settlement with the cities: Fire and Emergency Medical Services District, Police Services District, and Development and Enforcement Services District Funds. These functions were previously located in the General Fund, and a total of \$64 million was transferred from the General Fund to the new district funds to establish three-month fund balance reserves and meet other requirements of the Service Delivery Strategy settlement and the related intergovernmental agreements.

## Governmentwide Financial Analysis

As previously noted, over time net position serves as a useful indicator of a government's financial position. In the case of Gwinnett County, assets and deferred outflows of resources exceeded liabilities by \$6,264,389,000 at the close of the most recent fiscal year. This represents an increase of \$159,999,000, or 2.6 percent, from fiscal year 2012.

### Gwinnett County's Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 1,077,265	\$ 982,701	\$ 341,134	\$ 333,173	\$ 1,418,399	\$ 1,315,874
Capital assets	2,468,141	2,461,176	3,600,328	3,630,773	6,068,469	6,091,949
Total assets	3,545,406	3,443,877	3,941,462	3,963,946	7,486,868	7,407,823
Deferred outflows of resources	471	630	16,788	19,796	17,259	20,426
Long-term liabilities outstanding	141,531	170,455	951,796	1,016,357	1,093,327	1,186,812
Other liabilities	50,916	44,744	95,495	92,303	146,411	137,047
Total liabilities	192,447	215,199	1,047,291	1,108,660	1,239,738	1,323,859
Net position:						
Net investment in capital assets	2,348,661	2,320,301	2,664,664	2,614,293	5,013,325	4,934,594
Restricted	526,551	398,100	24,375	25,392	550,926	423,492
Unrestricted	478,218	510,907	221,920	235,397	700,138	746,304
Total net position	\$ 3,353,430	\$ 3,229,308	\$ 2,910,959	\$ 2,875,082	\$ 6,264,389	\$ 6,104,390

By far the largest portion of the County's net position (80.0 percent) at December 31, 2013, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the County's net position (8.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$700,138,000) may be used to meet the government's ongoing obligations to residents and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. Growth in net position is an indication that the County's financial position has improved over 2012.



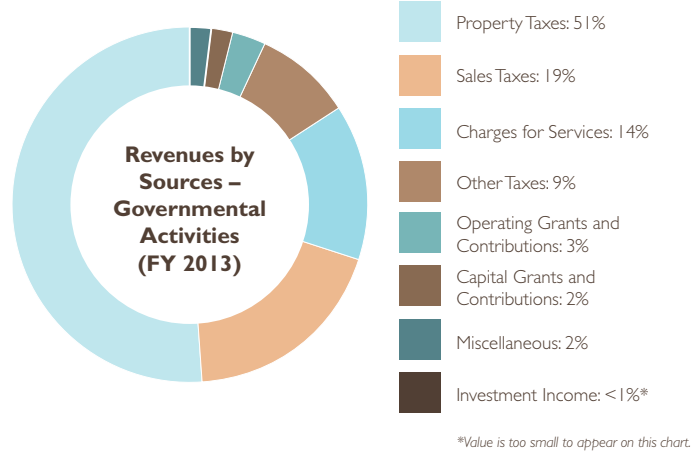
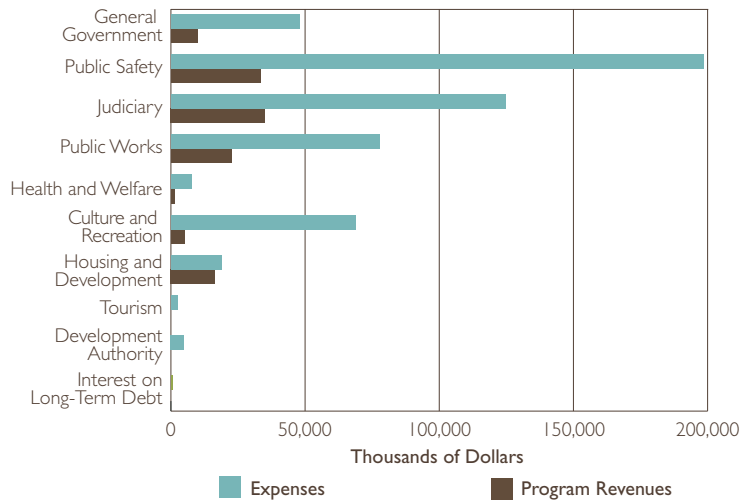
## Gwinnett County's Changes In Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 92,236	\$ 93,154	\$ 356,269	\$ 349,829	\$ 448,505	\$ 442,983
Operating grants and contributions	18,050	16,074	6,504	5,946	24,554	22,020
Capital grants and contributions	13,716	32,853	22,389	14,209	36,105	47,062
General revenues:						
Property taxes	345,499	324,081	—	—	345,499	324,081
Sales taxes	138,351	142,571	—	—	138,351	142,571
Other taxes	62,822	64,063	—	—	62,822	64,063
Investment income	216	1,246	373	803	589	2,049
Other	10,536	10,260	—	—	10,536	10,260
Total revenues	681,426	684,302	385,535	370,787	1,066,961	1,055,089
<b>Expenses</b>						
General government	47,960	57,690	—	—	47,960	57,690
Public safety	199,549	216,808	—	—	199,549	216,808
Judiciary	124,612	129,590	—	—	124,612	129,590
Public works	77,837	79,129	—	—	77,837	79,129
Health and welfare	7,634	7,081	—	—	7,634	7,081
Culture and recreation	68,905	67,090	—	—	68,905	67,090
Housing and development	18,851	18,908	—	—	18,851	18,908
Tourism	2,358	2,069	—	—	2,358	2,069
Development authority	4,881	4,947	—	—	4,881	4,947
Interest on long-term debt	442	1,921	—	—	442	1,921
Water and sewage	—	—	261,693	236,249	261,693	236,249
Airport	—	—	2,106	1,150	2,106	1,150
Solid waste	—	—	41,847	39,210	41,847	39,210
Stormwater	—	—	30,375	27,126	30,375	27,126
Transit	—	—	17,912	18,486	17,912	18,486
Total expenses	553,029	585,233	353,933	322,221	906,962	907,454
Increase in net position before transfers	128,397	99,069	31,602	48,566	159,999	147,635
Transfers	(4,275)	(3,992)	4,275	3,992	—	—
Increase in net position after transfers	124,122	95,077	35,877	52,558	159,999	147,635
Net position – January 1	3,229,308	3,134,231	2,875,082	2,822,524	6,104,390	5,956,755
Net position – December 31	\$ 3,353,430	\$ 3,229,308	\$ 2,910,959	\$ 2,875,082	\$ 6,264,389	\$ 6,104,390

**Governmental activities:** Governmental activities increased the County's net position by \$124,122,000, thereby accounting for 77.6 percent of the total growth in net position.

- Revenue decreased by \$2.9 million, primarily due to decreases in sales tax revenue (\$4.2 million), investment income (\$1 million), other taxes (\$1.2 million), charges for services (\$0.9 million), and capital grants and contributions (\$19.1 million). The declines were offset by increases in property tax revenue (\$21.4 million), operating grants and contributions (\$2 million), and other revenues (\$0.3 million). The increase in property taxes is mainly attributed to an increased tax rate with the creation of the new service districts.
- General government expenses decreased by \$9.7 million, primarily due to one-time payments to cities in 2012 as a result of the Service Delivery Strategy settlement.
- Public safety expenses decreased by \$17.3 million, of which approximately \$6 million is attributable to decreases in personal services due to vacancies and a decrease in contributions to the Group Self-Insurance Fund. There was also a decrease in contributions to the Risk Management Fund of \$9.1 million, and the remainder of the decrease was due to various savings in operating expenses.
- Judiciary expenses decreased by \$5 million, primarily due to an increased allocation from the internal service funds along with decreased operating expenses as a result of conservative spending.

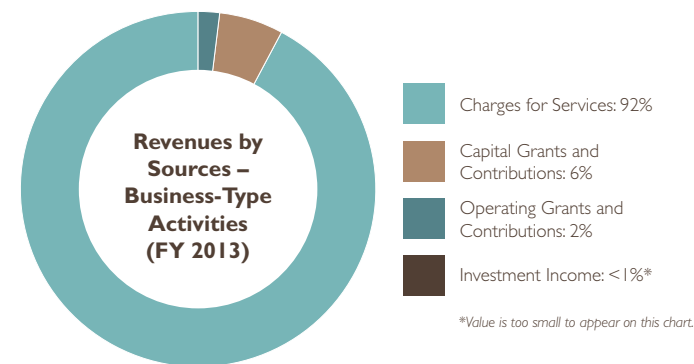
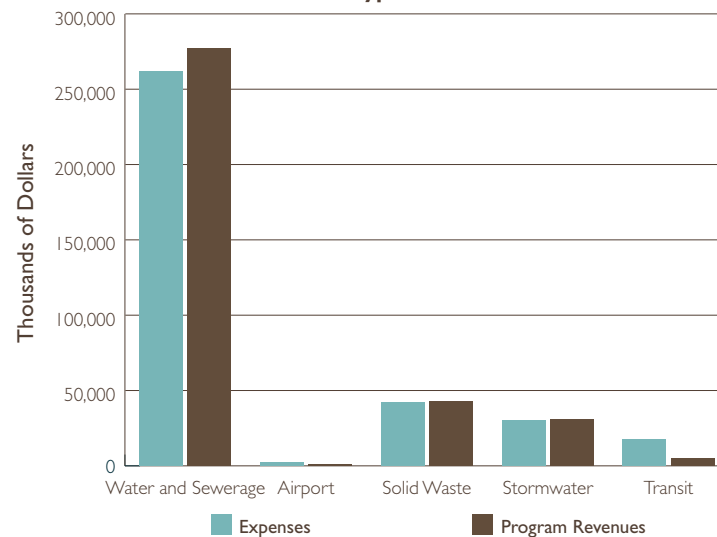
**Expenses and Program Revenues – Governmental Activities FY 2013**



**Business-type activities:** Business-type activities increased the County's net position by \$35,877,000, accounting for 22.4 percent of the total growth in the government's net position. Key elements of this increase were as follows:

- In 2013, Water and Sewerage Fund revenues were up approximately 2 percent, or \$5.4 million, over the prior year, primarily due to a rate increase. Operating expenses increased \$16.8 million over 2012. The year-over-year increase in expenses is mainly attributable to an increase in depreciation due to a large number of equipment assets being placed in service.
- The Stormwater Fund reported an increase in net position of \$1,283,000, which was \$2.8 million less than the 2012 increase in net position. Operating income was down \$2.8 million from 2012, due in part to an increase in operating expenses of \$2.7 million offset by a decrease in capital contributions of \$0.4 million.
- The Transit Fund reported a decrease in net position of \$2,957,000, which is approximately \$1.9 million less than the 2012 decrease in net position. This was primarily due to a loss on disposal of capital asset of \$0.9 million in 2012, and an increase in grant revenues of approximately \$1 million in 2013.
- The Solid Waste Fund reported an increase in net position of \$1,313,000, which is approximately \$0.7 million less than the 2012 change in net position. There was an increase in operating revenues of approximately \$0.6 million, which was offset by an increase in operating expenditures of \$1 million and a decrease in non-operating revenues of \$0.3 million.

**Expenses and Program Revenues – Business-Type Activities FY 2013**



## Financial Analysis of the Government's Funds

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

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

As of the end of fiscal year 2013, the County's governmental funds reported combined ending fund balances of \$717,166,000, an increase of \$66,906,000 in comparison with the prior year. This increase is approximately \$27 million more than the 2012 increase in fund balances. Overall revenues were down \$3.1 million, but the decrease in revenues was offset by an overall decrease in expenditures of \$30.9 million. Factors that contributed to this decrease in expenditures include: a decrease in capital spending of approximately \$29 million; an increase in debt payments of \$20 million due to a cash redemption in early 2013; a one-time \$10.3 million payment to cities as a result of the Service Delivery Strategy settlement in 2012; and a \$10.5 million decrease in operating expenditures as a result of efforts to spend conservatively. The following paragraphs discuss the individual major governmental funds and the Debt Service Fund.

The General Fund is the primary tax and operating fund for all County revenues and expenditures that are not restricted to, or accounted for, in other funds. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$133,687,000. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 61 percent of total General Fund expenditures. Total fund balance decreased \$38.4 million, as compared to an increase of \$2.5 million in 2012. This decline is primarily related to transfers to the new Service District Funds of \$64 million to establish fund balance reserves in accordance with County policy, and to distribute motor vehicle and supplemental title *ad valorem* taxes per state law. Another factor is the \$10.3 million, one-time payments to cities as a result of the Service Delivery Strategy settlement in 2012. Revenues and expenditures also decreased significantly, as a result of moving Fire and Emergency Medical, Police, and Development and Enforcement services into their own special revenue funds.

The Fire and Emergency Medical Services (EMS) District Fund accounts for the revenues and expenditures attributable to the Fire and EMS District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. At the end of fiscal year 2013, restricted fund balance was \$30,421,000, which is well above the required fund balance reserve of three months of normal operating expenditures. The County transferred \$28.8 million from the General Fund to this fund for the purposes of establishing the required fund balance reserve and meeting requirements under the Service Delivery Strategy settlement.

The Police Services District Fund accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments (Berkeley Lake, Buford, Grayson, Dacula, Peachtree Corners, Rest Haven, and Sugar Hill). At the end of fiscal year 2013, restricted fund balance was \$37,862,000, which is well above the required fund balance reserve of three months operating expenditures. The County transferred \$31.5 million from the General Fund to this fund for the purposes of establishing the required fund balance reserve and meeting requirements under the Service Delivery Strategy settlement.

The Other Capital Projects Fund accounts for the financial resources to be used for the purchase and construction of major capital facilities and equipment, other than those accounted for in specific funds. At the end of fiscal year 2013, the fund balance of the Other Capital Projects Fund was \$87,515,000, representing an increase of \$8,795,000 from 2012. Expenditures exceeded revenues by \$17.9 million, which was offset by net transfers of \$26.7 million.

The 2005 Sales Tax Fund accounts for the financial resources provided from the 2005 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of fiscal year 2013, the 2005 Sales Tax Fund reported a fund balance of \$22,508,000. Fund expenditures exceeded revenues by \$16.2 million. This is expected as sales tax revenues are no longer being collected under the 2005 program.

The 2009 Sales Tax Fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of fiscal year 2013, the 2009 Sales Tax Fund reported a fund balance of \$315,194,000. Revenues exceeded expenditures by \$61 million. Sales tax revenues will be collected under the 2009 program until April 2014.

At the end of fiscal year 2013, the Debt Service Fund had a total fund balance of \$10,358,000, a decrease of \$18.5 million from the prior year. The decrease was due primarily to the cash redemption of callable bonds in early January which resulted in a net present value savings of \$4.4 million. The remaining fund balance is restricted for debt service.

**Proprietary funds:** The County's proprietary funds provide the same type of information related to business-type activities found in the governmentwide financial statements, but in more detail.

Unrestricted net position of the Water and Sewerage Fund at the end of fiscal year 2013 amounted to \$171,618,000. This represents a decrease of \$9,783,000 in unrestricted net position from the end of the previous year. The total growth in net position was \$38,429,000. Factors concerning the finances of this fund have already been addressed in the discussion of business-type activities.



## General Fund Budgetary Highlights

The original fiscal year 2013 budget was adopted with a \$42.6 million use of fund balance. As of December 31, 2013, there was a \$38.4 million use of fund balance, primarily due to transfers to the new Service District Funds to establish a three-month operating reserve.

Differences between the original budget and the final amended budget amount to a net increase in budgeted expenditures and transfers out of \$22,899,442 and can be summarized as follows:

- Increase of \$3.5 million in employee benefits
- Increase of \$10 million in contributions to the Defined Benefit Pension Plan
- Increase of \$2.5 million in license support agreements
- Increase of \$6.9 million in contributions to capital projects
- Increases of \$2.6 million and \$2 million in transfers to the Fire and EMS and Police Services District Funds, respectively, for the supplemental title *ad valorem* tax and the intangible recording tax
- Decrease of \$2.4 million in contracted industrial repair and maintenance
- Decrease of \$1.5 million to indigent defense
- Decrease of \$3.5 million to reserves/contingencies

## General Fund Actual Expenditures versus Budget Highlights

Actual revenues in the General Fund were \$4,489,000 above budget at the end of fiscal year 2013. Taxes exceeded budget by \$5,544,000, while Sheriff Incarceration charges were down by \$1.3 million. The increase in tax revenue was primarily due to a 97.7 percent property tax collection rate, the highest collection rate at year end since 1977.

Actual expenditures in the General Fund were \$10,889,000 below budget at the end of fiscal year 2013, primarily due to personnel vacancies and efforts to spend conservatively.

## Capital Assets

**Capital assets:** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounted to \$6,068,469,000 (net of accumulated depreciation). Investments in capital assets included land, improvements, buildings, equipment, vehicles, infrastructure and construction in progress.

### Gwinnett County's Net Capital Assets (in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 656,328	\$ 641,904	\$ 70,601	\$ 72,811	\$ 726,929	\$ 714,715
Improvements	324,726	304,308	2,454,644	2,427,550	2,779,370	2,731,858
Buildings	537,773	541,059	686,161	663,125	1,223,934	1,204,184
Equipment	55,450	57,247	246,715	259,759	302,165	317,006
Vehicles	33,034	32,385	16,424	20,044	49,458	52,429
Infrastructure (roads, bridges and sidewalks)	765,605	761,109	5,357	652	770,962	761,761
Construction in progress	95,225	123,164	120,426	186,832	215,651	309,996
<b>Total</b>	<b>\$ 2,468,141</b>	<b>\$ 2,461,176</b>	<b>\$ 3,600,328</b>	<b>\$ 3,630,773</b>	<b>\$ 6,068,469</b>	<b>\$ 6,091,949</b>

Total capital assets for governmental activities for 2013 totaled \$2,468,141,000, which is an increase of \$6.9 million or 0.28 percent over 2012. The total of governmental assets transferred from construction in progress to the asset records during the year totaled approximately \$106 million. Major projects consisted of the following:

- Rabbit Hill Park Expansion: \$11,102,787
- McGinnis Ferry Extension (from Satellite Boulevard to Lawrenceville-Suwanee Road): \$9,545,917
- Lenora Park: \$6,962,059
- Shorty Howell Park Renovations: \$6,745,099
- Lion's Club/Camp Creek Trails: \$5,888,196

Total capital assets for business-type activities for 2013 totaled \$3,600,328,000 which is a decrease of \$30 million or less than 1.0 percent from 2012. The total of business-type assets that were transferred from construction in progress to the asset records during the year totaled approximately \$162 million. Major projects consisted of the following:

- Yellow River Water Reclamation Facility Improvements: \$85,260,923
- 2013 Drainage Improvements: \$15,402,640
- F. Wayne Hill Water Reclamation Facility Thickener Rehabilitation: \$10,420,919
- Norris Lake Pump Station Modifications and Force Main: \$9,329,813
- Crooked Creek Water Reclamation Facility Improvements: \$4,209,958

Additional information on the County's capital assets can be found in **Note 7** on pages 81 – 83 of this report.

## Debt Administration

**Long-Term Debt:** At the end of the current fiscal year, the County had total bonded debt outstanding of \$22,555,000 comprised of general obligation debt backed by the full faith and credit of the government. The County is obligated through an intergovernmental agreement for another \$865,230,000 in Water and Sewerage Authority Revenue Bonds. Debt service on these revenue bonds is paid from water and sewerage customer charges. For the Water and Sewer Revenue Bonds, the County would be required to pay the principal and interest on those bonds should operating revenues not be adequate. There has never been an occasion when operating revenues have not been sufficient to cover all such payments.

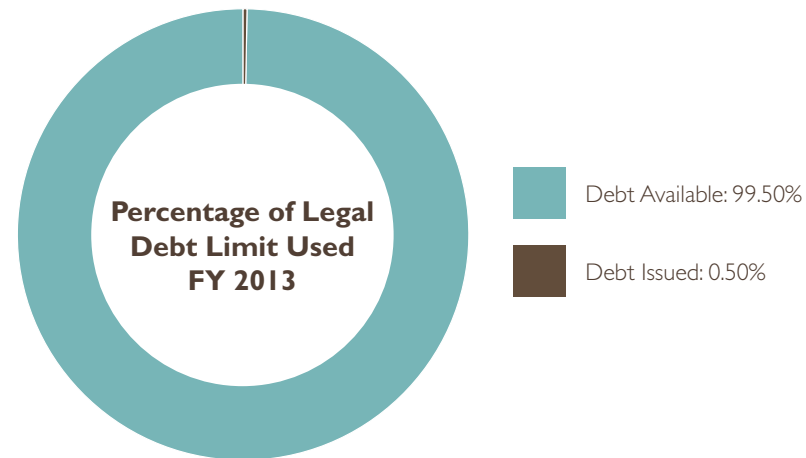
### Gwinnett County's Outstanding Debt General Obligation and Revenue Bonds (in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 22,555	\$ 46,385	\$ –	\$ –	\$ 22,555	\$ 46,385
Revenue bonds	–	–	865,230	922,265	865,230	922,265
Total	\$ 22,555	\$ 46,385	\$ 865,230	\$ 922,265	\$ 887,785	\$ 968,650

The County's total long-term bonds decreased by \$80,865,000 during the current fiscal year due primarily to principal payments as well as a General Obligation Bond cash redemption that took place in 2013.

The County maintains an AAA credit rating from each of the three rating agencies that review public sector debt. Additional information regarding Gwinnett County's long-term debt can be found in **Note 8** on pages 84 – 90 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed taxable property valuation. The County's net outstanding general obligation debt is \$12,197,000, which is significantly below the current debt limitation of \$2,362,077,000.



## Economic Factors

The improving housing market, stock market upswings, and declining unemployment rates in 2013 have indicated potential signs of economic recovery. However, economic uncertainty, political instability, and national debt concerns will continue to present threats to the economy in 2014. With these conflicting economic realities, economists' forecasts for 2014 and beyond are understandably mixed.

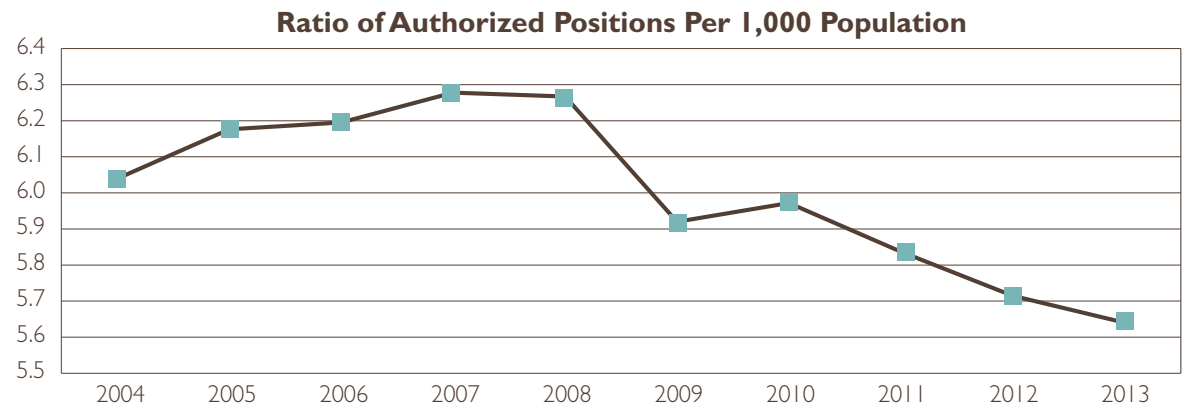
In September 2013, the Federal Reserve announced that it expects the jobless rate to improve in 2014, projecting an unemployment rate between 6.4 and 6.8 percent for the year. The Congressional Budget Office (CBO), on the other hand, is less optimistic. In its Budget and Economic Outlook: Fiscal Years 2013 to 2023 report published in February 2013, the CBO projected a 7.8 percent unemployment rate in 2014.

According to an article published by *IndustryWeek* in September 2013, the Federal Reserve projects a 2.9 to 3.1 percent change in real Gross Domestic Product (GDP) in 2014, which is an increase over the projected 2.0 to 2.3 percent change in 2013. At the same time, inflation is also expected to increase. The central bank plans to hold interest rates near zero until the unemployment rate falls to 6.5 percent, as long as the outlook for inflation remains below 2.5 percent.

As previously discussed in the Introduction section, the local job market in Gwinnett County continues to fare better than most other counties across the state and the nation. For many years, the County has consistently boasted annual unemployment rates below national and state levels. From 2010 to 2012, Gwinnett County achieved an 11.3 percent job growth rate.

County officials believe the 2013 tax digest represents the bottom of the overall drop in property tax values in Gwinnett. As property values stabilize and new construction is added to the digest, slight growth in the tax digest is budgeted in 2014. The County projects a 2.4 percent increase in the digest in the countywide General Fund, the Recreation Fund, and the Fire and Emergency Medical Services (EMS) District Fund. Additionally, the County estimates a digest increase of nearly 2.3 percent in the Police Services District Fund and 2.2 percent in the Development and Enforcement Services District Fund.

Gwinnett County has been among the fastest growing counties in the U.S. for the past 20 years. During the recent economic recession, the County's growing population taken in combination with less funding and fewer employees created the challenge of balancing core services with declining tax revenue. The ratio of authorized positions to population continues to be lower than it was 15 years ago and has declined significantly since 2008.



Sources: Gwinnett County Department of Financial Services and U.S. Census. 2013 population estimate from Moody's Analytics Forecast.

## Next Year's Budgets and Rates

The 2014 budget was developed within the framework of the County's five-year financial plan. The fiscal year 2014 budget preserves core services and focuses on priorities set by commissioners during a strategic planning session held in May 2013. The total budget, including capital funds, is \$1,512,725,370. The operating budget is \$1,027,135,769, and the capital budget is \$485,589,601. The 2015 – 2019 Capital Plan budget is \$1,421,531,511.

The Chairman's Budget Review Team, made up of four county residents as well as participating departmental and agency representatives, made recommendations for the budget focusing on priorities set by Commissioners during a strategic planning session held last May. The resident members of the review team are Mark Brock, Norwood Davis, Marian Lucia, and Herman Pennamon. All are budget review team veterans who each bring a different perspective to the process: Brock, an engineer who for many years operated his own firm, is Building Maintenance Director for Gwinnett Public Schools; Davis is the Chief Financial Officer for 12Stone Church; Lucia is retired from her position as Executive Vice President and Chief Information Officer at the Federal Home Loan Bank of Atlanta; and Pennamon runs a consulting practice following his retirement from Georgia Power Company as External Relations Manager.

The 2014 budget is based on the same property tax rates as 2013, and expands the delivery of emergency medical services, addresses the issue of employee retention and recruitment, and funds the impact of legislation and other external factors. The budget also preserves core services and absorbs a nearly 10 percent increase in health care costs. Voter approval of the Special Purpose Local Option Sales Tax (SPLOST) renewal last November allowed the review team to budget the use of sales tax rather than property tax for some essential capital purchases and improvements like ambulances, fire trucks, and road resurfacing.

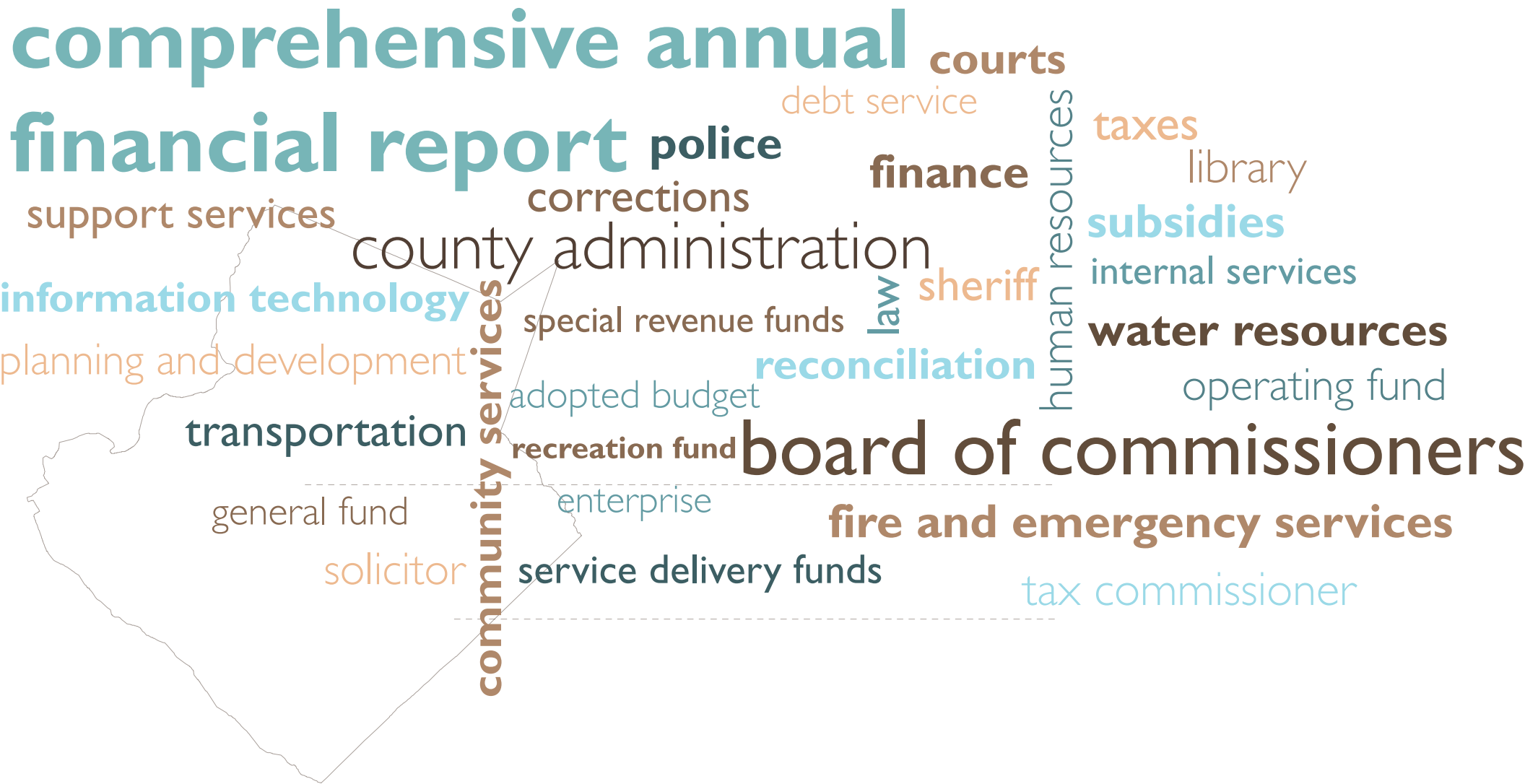
While the anticipated increase in the tax digest provides some financial relief in 2014, cost saving measures such as the 90 day job vacancy savings program will remain in effect. No pay for performance raises are included in the 2014 budget, but concerns over employee retention, pay competitiveness, and skill shortages resulted in a 3 percent across the board adjustment to employee compensation. The 2014 budget also expands staffing to support two new med units, and allocates funds for community outreach, juvenile justice reform, drug court reform, and a library reserve.

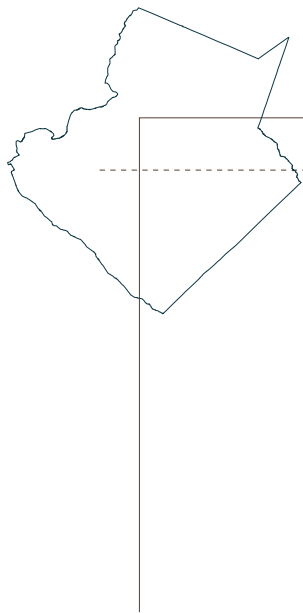
Decision packages for service reductions and service enhancements were considered during the development of the 2014 budget. The budget review team looked critically at all requests for funding and made hard decisions to prioritize the requests. Despite millions of dollars in justified requests, the budget includes funding for only a small number of new resources.

## Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Services, Gwinnett County, 75 Langley Drive, Lawrenceville, GA 30046.







- basic financial statements

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Governmentwide Financial Statements  
Fund Financial Statements

**Statement of Net Position**  
**December 31, 2013**  
 (in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 336,424	172,085	508,509	20,538
Investments	458,594	2,000	460,594	–
Receivables, net of allowance	20,502	35,760	56,262	362
Internal balances	(2,437)	2,437	–	–
Due from other governments	45,129	2,049	47,178	1,045
Due from primary government	–	–	–	1,941
Inventories	2,417	3,260	5,677	–
Prepaid items	4,059	149	4,208	–
Net pension asset	152,694	–	152,694	–
Net OPEB asset	30,409	–	30,409	–
Lease receivable from primary government	–	–	–	90,365
Noncurrent investments	29,474	78,650	108,124	–
Restricted assets:				
Cash and cash equivalents	–	44,070	44,070	–
Other assets	–	674	674	–
Capital assets:				
Land and construction in progress	751,553	191,027	942,580	–
Other capital assets, net of depreciation	1,716,588	3,409,301	5,125,889	1,766
Total assets	3,545,406	3,941,462	7,486,868	116,017
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding of bonds	471	16,788	17,259	295
Total deferred outflows of resources	471	16,788	17,259	295
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	34,005	30,706	64,711	2,637
Retainage payable	5,224	2,828	8,052	–
Other accrued payables	9,011	1,215	10,226	341
Customer deposits	–	3,831	3,831	–
Accrued interest payable	1,941	15,863	17,804	–
Due to others	735	332	1,067	–
Unearned revenue	–	40,720	40,720	113
Noncurrent liabilities:				
Due within one year	21,014	62,784	83,798	3,712
Due in more than one year	120,517	889,012	1,009,529	94,161
Total liabilities	192,447	1,047,291	1,239,738	100,964
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	–	–	–	3,405
Total deferred inflows of resources	–	–	–	3,405
<b>NET POSITION:</b>				
Net investment in capital assets	2,348,661	2,664,664	5,013,325	796
Restricted for:				
Capital projects	337,702	–	337,702	–
Debt service	10,477	24,375	34,852	–
Special programs	178,372	–	178,372	–
Health programs	–	–	–	6,122
Unrestricted	478,218	221,920	700,138	5,025
Total net position	\$ 3,353,430	2,910,959	6,264,389	11,943

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

**Statement of Activities**  
**Year Ended**  
**December 31, 2013**  
**(in thousands of dollars)**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 47,960	8,778	796	315	(38,071)	–	(38,071)	–
Public safety	199,549	31,987	1,161	259	(166,142)	–	(166,142)	–
Judiciary	124,612	31,770	3,291	–	(89,551)	–	(89,551)	–
Public works	77,837	6,914	3,621	12,182	(55,120)	–	(55,120)	–
Health and welfare	7,634	9	1,429	–	(6,196)	–	(6,196)	–
Culture and recreation	68,905	4,419	520	114	(63,852)	–	(63,852)	–
Housing and development	18,851	8,359	7,232	846	(2,414)	–	(2,414)	–
Tourism	2,358	–	–	–	(2,358)	–	(2,358)	–
Development authority	4,881	–	–	–	(4,881)	–	(4,881)	–
Interest on long-term debt	442	–	–	–	(442)	–	(442)	–
Total governmental activities	553,029	92,236	18,050	13,716	(429,027)	–	(429,027)	–
Business-type activities:								
Water and sewer	261,693	277,234	–	20,053	–	35,594	35,594	–
Airport	2,106	859	–	1,204	–	(43)	(43)	–
Solid waste	41,847	42,570	–	471	–	1,194	1,194	–
Stormwater	30,375	30,887	–	–	–	512	512	–
Transit	17,912	4,719	6,504	661	–	(6,028)	(6,028)	–
Total business-type activities	353,933	356,269	6,504	22,389	–	31,229	31,229	–
Total primary government	\$ 906,962	448,505	24,554	36,105	(429,027)	31,229	(397,798)	–
Component units	\$ 46,095	7,011	18,681	–	–	–	–	(20,403)
General revenues:								
Property taxes					345,499	–	345,499	–
Sales taxes					138,351	–	138,351	–
Hotel motel taxes					7,579	–	7,579	–
Insurance premium tax					29,424	–	29,424	–
Business taxes					18,628	–	18,628	–
Other taxes					7,191	–	7,191	–
Lease interest income – development authority					–	–	–	4,816
Intergovernmental revenue from primary government, not restricted for specific programs					–	–	–	15,618
Intergovernmental revenue from State of Georgia not restricted for specific programs					–	–	–	708
Investment income					216	373	589	9
Miscellaneous					10,536	–	10,536	92
Total general revenues					557,424	373	557,797	21,243
Transfers					(4,275)	4,275	–	–
Total general revenues and transfers					553,149	4,648	557,797	21,243
Change in net position					124,122	35,877	159,999	840
Net position – beginning					3,229,308	2,875,082	6,104,390	11,103
Net position – ending					\$ 3,353,430	2,910,959	6,264,389	11,943

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

**Governmental Funds  
Balance Sheet  
December 31, 2013  
(in thousands of dollars)**

	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	Other Governmental Funds	Total
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 38,758	22,010	30,687	48,849	24,635	47,761	65,494	278,194
Investments	111,181	9,001	9,001	40,175	442	263,523	21,771	455,094
Receivables, net of allowance:								
Taxes	4,989	1,546	599	–	–	–	958	8,092
Accounts	889	4,907	460	110	–	3,495	1,063	10,924
Due from other governments	–	–	27,144	–	–	14,345	3,640	45,129
Inventories	1,469	–	–	–	–	–	268	1,737
Prepaid items	30	–	–	–	–	–	–	30
Total assets	\$ 157,316	37,464	67,891	89,134	25,077	329,124	93,194	799,200
<b>LIABILITIES:</b>								
Accounts payable	\$ 13,654	404	391	1,498	1,872	9,450	3,755	31,024
Payroll payable	3,462	2,094	1,843	–	–	–	608	8,007
Retainage payable	–	–	–	34	668	4,367	155	5,224
Other accrued	–	–	–	–	29	113	–	142
Due to others	299	–	184	87	–	–	152	722
Total liabilities	17,415	2,498	2,418	1,619	2,569	13,930	4,670	45,119
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable revenue	3,972	4,545	27,611	–	–	–	787	36,915
Total deferred inflows of resources	3,972	4,545	27,611	–	–	–	787	36,915
<b>FUND BALANCES:</b>								
Nonspendable	1,499	–	–	–	–	–	268	1,767
Restricted	–	30,421	37,862	–	22,508	315,194	87,355	493,340
Committed	–	–	–	–	–	–	114	114
Assigned	743	–	–	87,515	–	–	–	88,258
Unassigned	133,687	–	–	–	–	–	–	133,687
Total fund balance	135,929	30,421	37,862	87,515	22,508	315,194	87,737	717,166
Total liabilities, deferred inflows of resources and fund balances	\$ 157,316	37,464	67,891	89,134	25,077	329,124	93,194	799,200

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

**Reconciliation of the  
Balance Sheet to the  
Statement of Net Position  
Governmental Activities  
December 31, 2013  
(in thousands of dollars)**

Fund balances – total governmental funds		\$ 717,166
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset is not recorded on the fund financial statements.		152,694
Net OPEB asset is not recorded on the fund financial statements.		30,409
Capital assets are not reported in fund statements:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the government funds.	\$ 2,467,578	
Capital assets used in internal service funds are reported in the governmental activities column of the governmentwide statement of net position.	<u>563</u>	2,468,141
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred loss on bond refunding		471
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.		
General obligation bonds payable	(22,555)	
Premiums	(1,807)	
Lease payable to component unit	(90,365)	
Accrued leave	(17,372)	
Estimated claims payable	<u>(9,432)</u>	(141,531)
Revenue deferred in the governmental funds due to availability criteria is susceptible to full accrual on the governmentwide statements.		
Property tax	6,294	
Insurance premium tax	27,144	
Public safety – EMS	3,284	
Other	<u>193</u>	36,915
Interest payable on capital lease to component unit is not accrued in the fund statements.		(1,941)
Internal service funds are used to charge the cost of group insurance, risk management, fleet management and administrative support services to individual funds. Assets and liabilities of these funds are included in governmental activities in the statement of net position.		
Internal service funds net position	82,635	
Less capital assets already accounted for above	(563)	
Plus accrued leave already accounted for above	2,039	
Plus claims payable already accounted for above	9,432	
Less amount due to enterprise funds	<u>(2,437)</u>	91,106
Net position of governmental activities		<u>\$ 3,353,430</u>

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



**Governmental Funds  
Statement of Revenues,  
Expenditures, and  
Changes in Fund Balances  
Year Ended  
December 31, 2013  
(in thousands of dollars)**

	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	Other Governmental Funds	Total
<b>REVENUES:</b>								
Taxes	\$ 221,386	66,861	80,983	–	–	138,350	43,861	551,441
Permits and licenses	–	691	3,752	–	–	–	3,452	7,895
Intergovernmental	3,495	–	–	213	6,026	7,820	15,401	32,955
Charges for services	24,702	15,622	1,309	–	–	5	26,034	67,672
Fines and forfeitures	4,922	–	10,122	31	–	–	2,007	17,082
Investment income, earnings (losses)	745	19	29	(438)	93	(1,282)	(99)	(933)
Miscellaneous	2,522	88	347	1,107	1,318	40	5,114	10,536
Total revenues	257,772	83,281	96,542	913	7,437	144,933	95,770	686,648
<b>EXPENDITURES:</b>								
Current operating:								
General government	39,119	–	121	–	–	–	–	39,240
Public safety	17,451	78,992	76,120	–	–	–	15,187	187,750
Judiciary	121,905	–	3,540	–	–	–	1,830	127,275
Public works	14,021	1	–	–	–	–	6,904	20,926
Health and welfare	6,662	–	–	–	–	–	–	6,662
Culture and recreation	16,064	–	–	–	–	–	25,672	41,736
Housing and development	2,345	580	621	–	–	–	5,092	8,638
Tourism	–	–	–	–	–	–	2,358	2,358
Development authority	–	–	–	–	–	–	7,096	7,096
Grant programs	–	–	–	–	–	–	13,358	13,358
Capital outlay	84	28	21	18,854	23,674	62,633	6,806	112,100
Debt service	–	–	–	–	–	–	24,871	24,871
Intergovernmental	–	–	–	–	–	21,258	3,311	24,569
Total expenditures	217,651	79,601	80,423	18,854	23,674	83,891	112,485	616,579
Revenues in excess of (less than) expenditures	40,121	3,680	16,119	(17,941)	(16,237)	61,042	(16,715)	70,069
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	218	28,805	31,518	27,250	–	–	4,126	91,917
Transfers out	(78,781)	(2,064)	(9,775)	(514)	–	–	(3,946)	(95,080)
Other financing sources (uses), net	(78,563)	26,741	21,743	26,736	–	–	180	(3,163)
Net change in fund balances	(38,442)	30,421	37,862	8,795	(16,237)	61,042	(16,535)	66,906
Fund balances – January 1	174,371	–	–	78,720	38,745	254,152	104,272	650,260
Fund balances – December 31	\$ 135,929	30,421	37,862	87,515	22,508	315,194	87,737	717,166

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

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities Year Ended December 31, 2013 (in thousands of dollars)**

Net change in fund balances – total governmental funds	\$ 66,906
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays reported in the governmental funds exceed depreciation expense recorded in the statement of activities as follows:	
Capital expenditures – general	\$ 112,100
Capital expenditures reclassified as expense	(21,358)
Depreciation expense – general capital assets	<u>(81,818)</u>
Adjustment	8,924
Contributions of capital assets are not recorded in governmental funds.	818
The loss on disposition of capital assets is not reported in the fund statements.	(3,262)
Retirement of bonded debt is reported as an expenditure in the fund statements but represents a reduction of liability balances on the governmentwide statement of net position.	3,510
Redemption of bonded debt is reported as an expenditure in the fund statements but represents a reduction of liability balances on the governmentwide statement of net position.	20,320
The current year's increase to the net pension asset decreases net expenses of pensionable functions on the governmentwide statements.	11,637
The current year's increase in the net OPEB asset decreases net expenses of the functions on the governmentwide statements.	626
Accounting loss on defeasance of debt and premium on bonds payable are reported as expenditures or reduction of related expenditures on the fund statements, but are recorded as deferred charges or premiums on the accrual based governmentwide statements and amortized as follows:	
Amortization of deferred loss of bond refunding	(159)
Amortization of deferred premium on bonds	733
Accrued interest payable is not included on the fund financial statements.	25
Lease payments to the Development Authority are reported as a debt service expenditure in the fund statement and as a reduction of the lease payable in the governmentwide statements	2,215
Internal service funds are used to charge the cost of insurance, fleet, and administrative services activities to individual funds. A part of the net revenue (expense) of the internal service funds is reported with governmental activities.	17,145
Accrued expenses related to compensated absences are not reported in the fund statements.	(105)
Some revenue earned is deferred in the governmental funds due to availability criteria.	<u>(5,211)</u>
Change in net position of governmental activities	<u>\$ 124,122</u>

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

**General Fund  
Statement of Revenues,  
Expenditures, and Changes  
in Fund Balance – Budget  
and Actual (Budget Basis)  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance—positive (negative)
<b>REVENUES:</b>				
Taxes	\$ 204,749	215,842	221,386	5,544
Intergovernmental	3,098	3,213	3,495	282
Charges for service	26,651	26,800	24,702	(2,098)
Fines and forfeitures	5,247	5,247	4,922	(325)
Investment income	320	320	850	530
Miscellaneous	1,528	1,966	2,522	556
Total revenues	241,593	253,388	257,877	4,489
<b>EXPENDITURES:</b>				
Current operating:				
General government:				
County administrator	1,194	1,194	1,075	119
Financial services	8,586	8,608	8,456	152
Tax commissioner	11,064	11,397	10,776	621
Total general government	20,844	21,199	20,307	892
Public safety:				
Police services	4,395	4,350	3,959	391
Correctional services	13,186	13,268	12,333	935
Total public safety	17,581	17,618	16,292	1,326
Judiciary:				
Courts	32,674	39,000	37,962	1,038
District attorney	10,333	10,410	10,088	322
Sheriff	71,650	72,899	70,404	2,495
Solicitor	3,602	3,710	3,277	433
Total judiciary	118,259	126,019	121,731	4,288
Public works				
Health and welfare:	15,327	15,239	14,003	1,236
Physical health	1,490	1,490	1,490	—
Indigent medical care	225	225	225	—
Various subsidized agencies	2,021	2,030	2,030	—
General community services	6,557	6,505	5,984	521
Total health and welfare	10,293	10,250	9,729	521
Culture and recreation:				
Library	15,853	15,883	15,840	43
Total culture and recreation	15,853	15,883	15,840	43
Housing and development:				
Planning and development	639	639	427	212
Total housing and development	639	639	427	212
Miscellaneous				
Total expenditures	19,130	21,693	19,322	2,371
Total expenditures	217,926	228,540	217,651	10,889
Revenues in excess of expenditures	23,667	24,848	40,226	15,378
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	192	192	218	26
Transfers out	(66,496)	(78,781)	(78,781)	—
Other financing sources (uses), net	(66,304)	(78,589)	(78,563)	26
Revenues and other financing sources less than expenditures and other financing uses	(42,637)	(53,741)	(38,337)	15,404
Fund balance allocation	42,637	53,741	—	(53,741)
Fund balance – January 1	—	—	174,537	174,537
Fund balance – December 31	\$ —	—	136,200	136,200

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

**Fire and EMS District Fund  
Statement of Revenues,  
Expenditures, and Changes  
in Fund Balance – Budget  
and Actual (Budget Basis)  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance—positive (negative)
<b>REVENUES:</b>				
Taxes	\$ 65,285	65,685	66,861	1,176
Permits and licenses	778	778	691	(87)
Charges for service	13,851	14,573	15,622	1,049
Investment income	34	34	19	(15)
Miscellaneous	35	89	88	(1)
Total revenues	<u>79,983</u>	<u>81,159</u>	<u>83,281</u>	<u>2,122</u>
<b>EXPENDITURES:</b>				
Current operating:				
Public safety:				
Fire and emergency services	81,045	79,420	75,699	3,721
Total public safety	<u>81,045</u>	<u>79,420</u>	<u>75,699</u>	<u>3,721</u>
Housing and development:				
Planning and development	597	597	580	17
Total housing and development	<u>597</u>	<u>597</u>	<u>580</u>	<u>17</u>
Miscellaneous	<u>23,795</u>	<u>27,725</u>	<u>3,322</u>	<u>24,403</u>
Total expenditures	<u>105,437</u>	<u>107,742</u>	<u>79,601</u>	<u>28,141</u>
Revenues in excess of (less than) expenditures	<u>(25,454)</u>	<u>(26,583)</u>	<u>3,680</u>	<u>30,263</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	26,177	28,806	28,805	(1)
Transfers out	<u>(723)</u>	<u>(2,223)</u>	<u>(2,064)</u>	<u>159</u>
Other financing sources (uses), net	<u>25,454</u>	<u>26,583</u>	<u>26,741</u>	<u>158</u>
Revenues and other financing sources in excess of expenditures and other financing uses	—	—	30,421	30,421
Fund balance allocation	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance – January 1	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance – December 31	<u>\$ —</u>	<u>—</u>	<u>30,421</u>	<u>30,421</u>

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

**Police Services District Fund  
Statement of Revenues,  
Expenditures, and Changes  
in Fund Balance – Budget  
and Actual (Budget Basis)  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance—positive (negative)
<b>REVENUES:</b>				
Taxes	\$ 74,833	79,680	80,983	1,303
Permits and licenses	4,306	4,306	3,752	(554)
Charges for service	921	929	1,309	380
Fines and forfeitures	9,135	9,135	10,122	987
Investment income	34	34	29	(5)
Miscellaneous	248	344	347	3
Total revenues	89,477	94,428	96,542	2,114
<b>EXPENDITURES:</b>				
Current operating:				
Public safety:				
Police services	77,465	71,005	67,031	3,974
Total public safety	77,465	71,005	67,031	3,974
Judiciary:				
Courts	1,299	1,299	1,273	26
Solicitor	673	673	609	64
Recorder's	1,591	1,675	1,658	17
Total judiciary	3,563	3,647	3,540	107
Housing and development:				
Planning and development	698	666	621	45
Total housing and development	698	666	621	45
Miscellaneous	33,018	40,736	9,231	31,505
Total expenditures	114,744	116,054	80,423	35,631
Revenues in excess of (less than) expenditures	(25,267)	(21,626)	16,119	37,745
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	29,551	31,518	31,518	–
Transfers out	(4,284)	(9,892)	(9,775)	117
Other financing sources (uses), net	25,267	21,626	21,743	117
Revenues and other financing sources less than expenditures and other financing uses	–	–	37,862	37,862
Fund balance allocation	–	–	–	–
Fund balance – January 1	–	–	–	–
Fund balance – December 31	\$ –	–	37,862	37,862

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

**Proprietary Funds  
Statement of Net Position  
December 31, 2013  
(in thousands of dollars)**

	Enterprise Funds				Internal Service Funds
	Water and Sewerage	Storm-water	Other Enterprise Funds	Total Enterprise Funds	
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 107,710	28,464	35,911	172,085	58,230
Investments	2,000	—	—	2,000	3,500
Accounts receivable, net of allowance	31,464	1,159	3,137	35,760	1,486
Due from other governments	—	—	2,049	2,049	—
Inventories	3,260	—	—	3,260	680
Prepaid items	149	—	—	149	4,029
Restricted cash and cash equivalents	44,070	—	—	44,070	—
Other assets	674	—	—	674	—
Total current assets	189,327	29,623	41,097	260,047	67,925
Noncurrent assets:					
Investments	52,467	5,959	20,224	78,650	29,474
Land and construction in progress	170,334	5,326	15,367	191,027	400
Other capital assets, net of depreciation	2,964,136	417,128	28,037	3,409,301	163
Total noncurrent assets	3,186,937	428,413	63,628	3,678,978	30,037
Total assets	3,376,264	458,036	104,725	3,939,025	97,962
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred charge on refunding of bonds	16,788	—	—	16,788	—
Total deferred outflows of resources	16,788	—	—	16,788	—
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	22,977	3,091	4,638	30,706	2,981
Payroll payable	1,031	152	32	1,215	862
Retainage payable	2,675	15	138	2,828	—
Accumulated leave benefits – current	1,154	167	32	1,353	1,192
Estimated claims payable – current	—	—	—	—	3,462
Customer deposits payable – from restricted assets	3,831	—	—	3,831	—
Accrued interest payable – from restricted assets	15,863	—	—	15,863	—
Due to others	—	212	120	332	13
Notes payable – current	2,258	218	—	2,476	—
Revenue bonds payable – current – from restricted assets	58,955	—	—	58,955	—
Unearned revenue	261	—	40,459	40,720	—
Total current liabilities	109,005	3,855	45,419	158,279	8,510
Noncurrent liabilities:					
Accumulated leave benefits	684	115	20	819	847
Estimated claims payable	—	—	—	—	5,970
Notes payable	43,208	4,663	—	47,871	—
Revenue bonds payable	840,322	—	—	840,322	—
Total noncurrent liabilities	884,214	4,778	20	889,012	6,817
Total liabilities	993,219	8,633	45,439	1,047,291	15,327
<b>NET POSITION:</b>					
Net investment in capital assets	2,203,840	417,558	43,266	2,664,664	563
Restricted for debt service	24,375	—	—	24,375	—
Unrestricted	171,618	31,845	16,020	219,483	82,072
Total net position	\$ 2,399,833	449,403	59,286	2,908,522	82,635
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				2,437	
Net position of business-type activities				\$ 2,910,959	

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

**Proprietary Funds  
Statement of Revenues,  
Expenses, and Changes  
in Fund Net Position  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Enterprise Funds				Internal Service Funds
	Water and Sewerage	Storm-water	Other Enterprise Funds	Total Enterprise Funds	
<b>OPERATING REVENUES:</b>					
Residential and commercial service	\$ 263,997	–	–	263,997	–
Wholesale service	4,333	–	–	4,333	–
Public fire protection charges	670	–	–	670	–
Connection charges	1,110	–	–	1,110	–
Operating lease income and rental income from individual hangars	–	–	857	857	–
Charges to other funds	–	–	–	–	102,724
Employee contributions	–	–	–	–	5,447
User fees and charges	–	30,858	46,900	77,758	–
Miscellaneous	7,124	29	391	7,544	2,328
Total operating revenues	<u>277,234</u>	<u>30,887</u>	<u>48,148</u>	<u>356,269</u>	<u>110,499</u>
<b>OPERATING EXPENSES:</b>					
Water production	17,492	–	–	17,492	–
Distribution and collection	28,537	–	–	28,537	–
Engineering	4,633	–	–	4,633	–
Reclamation	30,465	–	–	30,465	–
Vehicle maintenance and repair	–	–	–	–	3,779
Benefit claims	–	–	–	–	15,820
Insurance premiums	–	–	–	–	26,580
Depreciation and amortization	81,583	17,682	4,531	103,796	13
Transit operations	–	–	14,584	14,584	–
General and administrative	30,404	10,848	41,807	83,059	49,822
Total operating expenses	<u>193,114</u>	<u>28,530</u>	<u>60,922</u>	<u>282,566</u>	<u>96,014</u>
Operating income (loss)	<u>84,120</u>	<u>2,357</u>	<u>(12,774)</u>	<u>73,703</u>	<u>14,485</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Intergovernmental	–	–	6,504	6,504	–
Investment earnings (losses)	355	74	(56)	373	(40)
Interest expense	(40,770)	(150)	–	(40,920)	–
Loss on disposal of capital assets	(26,582)	(1,469)	(4)	(28,055)	–
Total non-operating revenues (expenses)	<u>(66,997)</u>	<u>(1,545)</u>	<u>6,444</u>	<u>(62,098)</u>	<u>(40)</u>
Income (loss) before transfers and contributions	<u>17,123</u>	<u>812</u>	<u>(6,330)</u>	<u>11,605</u>	<u>14,445</u>
Capital contributions	21,471	471	1,865	23,807	–
Transfers in	–	–	3,022	3,022	877
Transfers out	(165)	–	–	(165)	(571)
Change in net position	<u>38,429</u>	<u>1,283</u>	<u>(1,443)</u>	<u>38,269</u>	<u>14,751</u>
Net position – January 1	<u>2,361,404</u>	<u>448,120</u>	<u>60,729</u>		<u>67,884</u>
Net position – December 31	\$ <u>2,399,833</u>	<u>449,403</u>	<u>59,286</u>		<u>82,635</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(2,392)	
Change in net position of business-type activities				\$ <u>35,877</u>	

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



**Proprietary Funds  
Statement of Cash Flows  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Enterprise Funds				Internal Service Funds
	Water and Sewerage	Storm-water	Other Enterprise Funds	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 274,223	31,309	47,414	352,946	111,791
Cash payments to suppliers for goods and services	(58,491)	(4,884)	(55,886)	(119,261)	(24,322)
Cash payments to employees for services	(44,756)	(5,164)	(1,294)	(51,214)	(30,502)
Claims and premiums paid	—	—	—	—	(44,642)
Net cash flows provided/(required) by operating activities	170,976	21,261	(9,766)	182,471	12,325
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Operating grants	—	—	4,409	4,409	—
Transfers from other funds	—	—	3,022	3,022	877
Transfers (to) other funds	(165)	—	—	(165)	(571)
Net cash provided/(required) by noncapital activities	(165)	—	7,431	7,266	306
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital grants	542	—	661	1,203	—
Acquisition and construction of capital assets	(73,570)	(21,417)	(2,881)	(97,868)	(526)
Proceeds from sale of capital assets	31	9	—	40	—
Principal payments – revenue bonds	(57,035)	—	—	(57,035)	—
Principal payments – notes payable	(2,192)	(211)	—	(2,403)	—
Interest paid	(41,692)	(150)	—	(41,842)	—
Capital contributed by others	15,679	—	—	15,679	—
Payments of contract retention	(1,655)	—	—	(1,655)	—
Contract retainage withheld	2,110	—	—	2,110	—
Net cash (required) by capital and related financing activities	(157,782)	(21,769)	(2,220)	(181,771)	(526)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from the sale of investments	57,008	—	18,123	75,131	—
Purchase of investments	(77,520)	(3,955)	(26,478)	(107,953)	(14,127)
Investment earnings	401	70	194	665	76
Net cash (required) by investing activities	(20,111)	(3,885)	(8,161)	(32,157)	(14,051)
Net (decrease) in cash and cash equivalents	(7,082)	(4,393)	(12,716)	(24,191)	(1,946)
Cash and cash equivalents at beginning of year	158,862	32,857	48,627	240,346	60,176
Cash and cash equivalents at end of year	\$ 151,780	28,464	35,911	216,155	58,230
<b>Reconciliation of operating income to net cash provided/(required) by operating activities:</b>					
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 84,120	2,357	(12,774)	73,703	14,485
Adjustments to reconcile operating income to net cash provided/(required) by operating activities:					
Depreciation and amortization	81,583	17,682	4,531	103,796	13
<b>CHANGE IN ASSETS AND LIABILITIES:</b>					
(Increase) decrease in receivables	(3,024)	422	136	(2,466)	1,305
Decrease in inventories	220	16	—	236	64
Decrease in prepaid items	3,477	—	—	3,477	63
Increase (decrease) in payables	4,644	774	(777)	4,641	(2,203)
(Decrease) in other liabilities	—	(10)	(12)	(22)	(1,402)
(Decrease) in unearned revenue	(102)	—	(870)	(972)	—
Increase (decrease) in payroll payables	(55)	20	—	(35)	—
Increase in customer deposits	113	—	—	113	—
Net cash provided/(required) by operating activities	\$ 170,976	21,261	(9,766)	182,471	12,325
Non-cash capital contributed by others	\$ 5,249	471	—	5,720	—

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

**Fiduciary Funds –  
Statement of  
Fiduciary Net Position  
December 31, 2013  
(in thousands of dollars)**

	Agency Funds	Pension (and Other Employee Benefit) Trust Funds
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 34,305	28,365
Investments, at fair value:		
U.S. treasury bonds	–	55,175
Asset-backed securities	–	25,153
U.S. governmental agencies	–	69,438
Commercial mortgage-backed securities	–	15,994
Futures contracts	–	171
Corporate bonds	–	79,070
Collateralized mortgage obligations	–	6,101
Corporate equities	–	444,154
International government bonds	–	264
Non-U.S. corporate bonds	–	343
International equities	–	142,417
Mutual funds invested in equities	–	30,881
Preferred stock	–	1,061
Global fixed income	–	46,986
Taxable municipal bonds	–	924
Total investments	–	918,132
Securities lending collateral investment pool	–	59,360
Contributions receivable from employer	–	20,027
Prepaid assets	–	4,256
Taxes receivable	16,472	–
Total assets	\$ 50,777	1,030,140
<b>LIABILITIES:</b>		
Accounts payable	\$ –	2,106
Liability for securities lending agreement	–	59,360
Due to others	50,777	–
Total liabilities	\$ 50,777	61,466
<b>NET POSITION:</b>		
Net position held in trust for pension		862,455
Net position held in trust for other employee benefits		106,219
Total net position		\$ 968,674

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

**Pension (and Other Employee Benefit) Trust Funds  
Statement of Changes in  
Fiduciary Net Position  
Year Ended December 31, 2013  
(in thousands of dollars)**

**ADDITIONS**

Contributions:	
Employer	\$ 68,594
Employee	12,378
Total contributions	<u>80,972</u>
Investment income:	
Net increase in the fair value of investments	126,267
Securities lending income	133
Interest and dividends	19,126
	<u>145,526</u>
Less – Investment expense	(3,636)
Securities lending expense	(14)
Net investment income	<u>141,876</u>
Total additions	<u>222,848</u>

**DEDUCTIONS**

Benefits paid	58,106
Insurance premiums	5,178
Administrative expenses	1,681
Total deductions	<u>64,965</u>
Change in net position	157,883
Net position held in trust for pension and other employee benefits:	
Beginning of year	<u>810,791</u>
End of year	<u>\$ 968,674</u>

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

**Component Units  
Combining Statement  
of Net Position  
December 31, 2013  
(in thousands of dollars)**

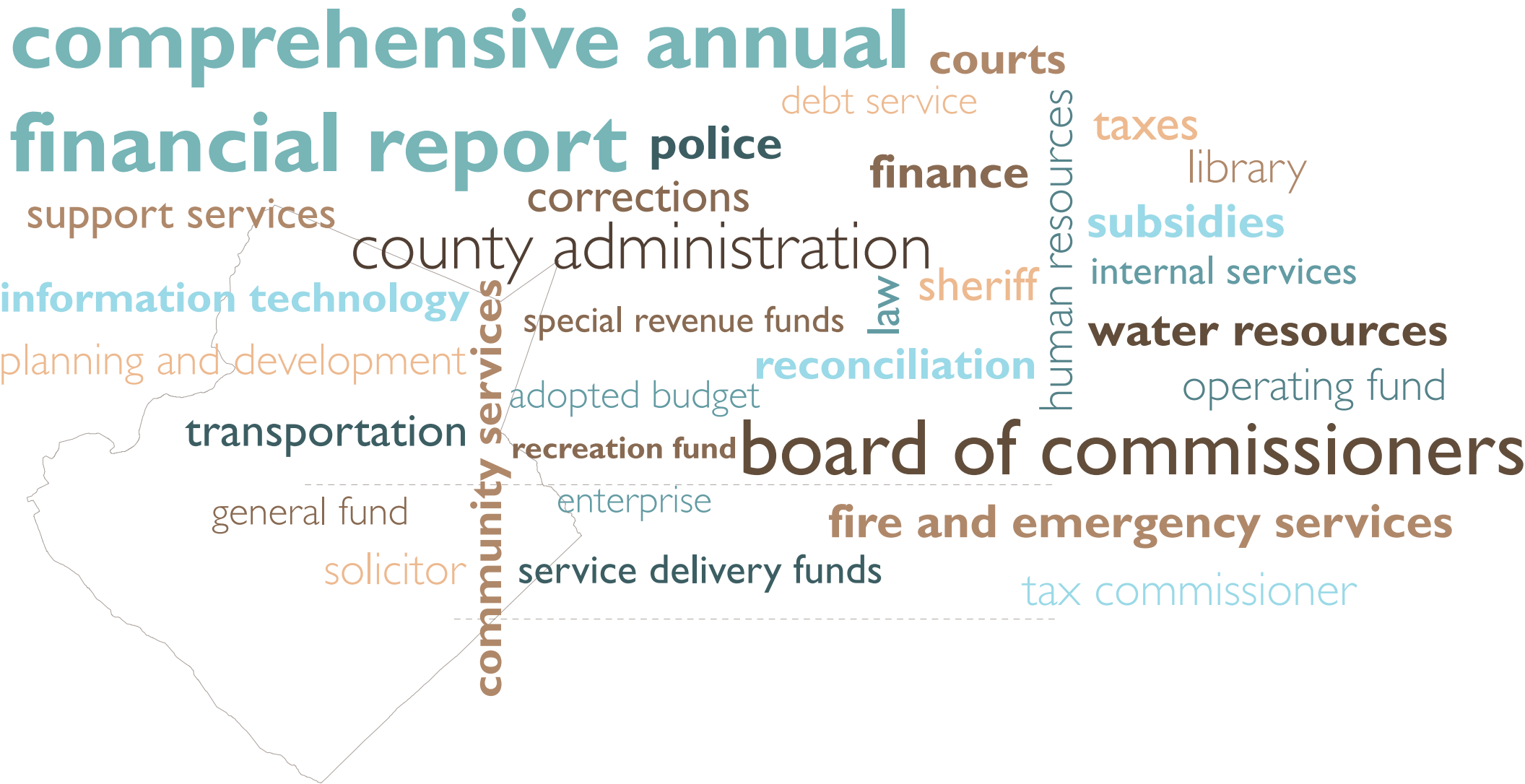
	Public Library	Development Authority	Health Department	Total
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 10,387	771	9,380	20,538
Receivables, net of allowance	362	-	-	362
Lease receivable from primary government, current portion	-	2,845	-	2,845
Due from primary government	-	1,941	-	1,941
Due from other governments	263	-	782	1,045
Total current assets	<u>11,012</u>	<u>5,557</u>	<u>10,162</u>	<u>26,731</u>
Noncurrent assets:				
Lease receivable from primary government	-	87,520	-	87,520
Capital assets, net of depreciation	1,306	-	460	1,766
Total noncurrent assets	<u>1,306</u>	<u>87,520</u>	<u>460</u>	<u>89,286</u>
Total assets	<u>12,318</u>	<u>93,077</u>	<u>10,622</u>	<u>116,017</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding of bonds	-	295	-	295
Total deferred outflows of resources	<u>-</u>	<u>295</u>	<u>-</u>	<u>295</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	389	1,941	307	2,637
Unearned revenue	-	-	113	113
Accrued salaries and related payments	341	-	-	341
Total current liabilities	<u>730</u>	<u>1,941</u>	<u>420</u>	<u>3,091</u>
Noncurrent liabilities:				
Due within one year	238	2,845	629	3,712
Due in more than one year	1,624	92,403	134	94,161
Total noncurrent liabilities	<u>1,862</u>	<u>95,248</u>	<u>763</u>	<u>97,873</u>
Total liabilities	<u>2,592</u>	<u>97,189</u>	<u>1,183</u>	<u>100,964</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unearned revenue	3,405	-	-	3,405
Total deferred inflows of resources	<u>3,405</u>	<u>-</u>	<u>-</u>	<u>3,405</u>
<b>NET POSITION:</b>				
Net investment in capital assets	336	-	460	796
Restricted for health programs	-	-	6,122	6,122
Unrestricted	5,985	(3,817)	2,857	5,025
Total net position (deficit)	<u>\$ 6,321</u>	<u>(3,817)</u>	<u>9,439</u>	<u>11,943</u>

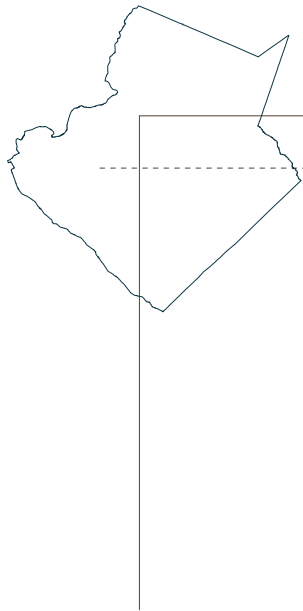
The notes to the financial statements are an integral part of this statement.

**Component Units  
Combining Statement  
of Activities  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Expenses	Program Revenues			Public Library Total	Development Authority Total	Health Department Total	Total
		Charges for Services	Operating Grants and Contributions					
Public library	\$ 18,359	1,370	860	(16,129)	–	–	(16,129)	
Development authority	4,741	15	300	–	(4,426)	–	(4,426)	
Health department	22,995	5,626	17,521	–	–	152	152	
Total component units	\$ 46,095	7,011	18,681	(16,129)	(4,426)	152	(20,403)	
General Revenues:								
Lease interest income – development authority				–	4,816	–	4,816	
Intergovernmental revenue from primary government, not restricted for specific programs				15,618	–	–	15,618	
Intergovernmental revenue from State of Georgia, not restricted for specific programs				708	–	–	708	
Investment income				6	3	–	9	
Miscellaneous				–	–	92	92	
Total general revenues				16,332	4,819	92	21,243	
Change in net position				203	393	244	840	
Net position (deficit) – beginning				6,118	(4,210)	9,195	11,103	
Net position (deficit) – ending	\$			6,321	(3,817)	9,439	11,943	

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





- notes to the financial statements



## Notes to the Financial Statements

<b>Note</b>	<b>Page</b>
(1) Summary of Significant Accounting Policies.....	54
(2) Legal Compliance – Budgets.....	66
(3) Cash, Cash Equivalents, and Investments.....	70
(4) Property Taxes.....	79
(5) Allowances for Uncollectible Receivables.....	80
(6) Due from Other Governments.....	80
(7) Capital Assets.....	81
(8) Long-Term Obligations.....	84
(9) Interfund Balances and Transfers.....	91
(10) Risk Management.....	92
(11) Deferred Compensation Plan.....	94
(12) Pensions.....	95
(13) Other Post-Employment Benefits.....	100
(14) Fund Balances and Net Position.....	104
(15) Contingencies.....	106
(16) Subsequent Event.....	106

**Note I.****Summary of Significant Accounting Policies**

The financial statements of Gwinnett County, Georgia (the “County”), have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below:

**A. Reporting entity**

The County operates under a Commission-County Administrator form of government. As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 14, “The Financial Reporting Entity,” as amended by GASB Statements No. 39 and 61, the component units’ financial statements have been included as blended or discretely presented component units. Blended component units, although legally separate entities, are in substance part of the County’s operations, so financial data from these units are combined with the financial data of the primary government. Each discretely presented component unit, on the other hand, is reported separately in the governmentwide financial statements to emphasize that it is legally separate from the County. The component units’ financial information disclosed within the governmentwide financial statements reflects the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government’s reporting entity.

**Included with the reporting entity as Blended Component Units:**

The **Airport Authority**, consisting of a five-member board, is appointed by the governing authority of the County. The Airport Authority provides a means to issue revenue bonds for airport facilities. Although it is legally separate from the County, the Airport Authority is reported as if it were part of the primary government because its sole purpose is to finance, construct, equip, and maintain the County airport facility. Bond issuance authorizations are approved by the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2013, the authority had no assets, liabilities, or fund equity. In addition, during 2013, the authority had no revenues or expenses.

The **Recreation Authority**, consisting of a nine-member board, is appointed by the governing authority of the County. The Recreation Authority provides a means to issue revenue bonds for park facilities. Although it is legally separate from the County, the Recreation Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand County park facilities. Bond issuance authorizations are approved by the County’s governing authority and the County is legally obligated to finance the deficits the Recreation Authority. At December 31, 2013, the authority had no assets, liabilities, or fund equity. In addition, during 2013, the authority had no revenues or expenses.

The **Water and Sewerage Authority**, consisting of a five-member board, is appointed by the governing authority of the County. The Water and Sewerage Authority provides a means to issue revenue bonds for water and sewer facilities. Although it is legally separate from the County, the Water and Sewerage Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand County water treatment and transmission facilities. The rates for user charges and bond issuance authorizations are approved by the governing authority of the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies.

The **Stormwater Authority**, consisting of a seven-member board, is appointed by the governing authority of the County. The Stormwater Authority provides a means to issue revenue bonds for stormwater infrastructure. Although it is legally separate from the County, the Stormwater Authority is reported as if it were a part of the primary government because its sole purpose is to acquire, construct, expand, improve, and maintain stormwater management systems and facilities for the County. The rates for user charges and bond issuance authorizations are approved by the governing authority of the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. At December 31, 2013, the authority had no assets, liabilities, or fund equity. In addition, during 2013, the authority had no revenues or expenses.

The **Public Facilities Authority**, consisting of a three-member board, is appointed by the governing authority of the County. The Public Facilities Authority provides a means to issue revenue bonds. Although it is legally separate from the County, the authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, expand, and maintain County fire station facilities. Bond issuance authorizations are approved by the County and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2013, the authority had no assets, liabilities, or fund equity. In addition, during 2013, the authority had no revenues or expenses.

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

75 Langley Drive  
Lawrenceville, GA 30046

**Included with the reporting entity as Discretely Presented Component Units:**

The **Gwinnett County Public Library** (the "Library") operates the County's public libraries for the residents of the County. The Library Board consists of five members appointed by the Gwinnett County Board of Commissioners. Although the County does not have the authority to approve or modify the Library's operational or capital budgets, it does have the ability to control the amount of the funding the County provides. Such funding is significant to the overall operations of the Library. Gwinnett County owns all Library land and building capital assets.

The Library operates on a fiscal year-end of June 30. The financial information presented for this discretely presented component unit is as of June 30, 2013.

Complete financial statements of the Library may be obtained at the entity's administrative office at the following address:

Gwinnett County Public Library  
1001 Lawrenceville Highway  
Lawrenceville, GA 30046

The **Development Authority of Gwinnett County** consists of a seven-member board appointed by the governing authority of the County. The Development Authority's sole purpose is to finance the acquisition or construction of industrial and commercial facilities deemed to be in the public interest through the issuance of bonds. These bonds are issued on behalf of various public or private entities, including the Gwinnett County Board of Education. Neither the Authority, the County, the state, nor any political subdivision thereof is obligated in any manner for repayment of these bonds except for the issuances described below. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In 2001, the Development Authority issued revenue bonds for the expansion of the Gwinnett Center. The County has entered into a lease agreement with the Development Authority to lease the Center for a 30-year period. The 2001 bonds were refinanced in 2010. In 2007, the Development Authority issued revenue bonds for a parking deck at the Gwinnett Center. The County has pledged hotel/motel tax revenues to the Development Authority to satisfy the lease payments for both of these issues in an amount equal to the required debt service of the bonds. In 2008, the Development Authority issued revenue bonds to build the Gwinnett baseball stadium and a recycling center. The recycling bonds were cash-defeased in 2010 (see **Note 8** for more information). Therefore, due to these agreements, a significant financial relationship exists, and the Development Authority is reported as a discretely presented component unit. The Development Authority operates on a fiscal year-end of December 31.

Complete financial statements of the individual component unit may be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive  
Lawrenceville, GA 30046

The **Gwinnett County Board of Health d/b/a the Gwinnett County Health Department** is considered a discretely presented component unit based upon the criteria in GASB Statements No. 14 and 61. The Board of Health consists of seven members. Two members are appointed by the City of Lawrenceville. The Gwinnett Board of Commissioners appoints three members, and the Chairman of the Board of Commissioners (or their designee) serves as a member. The County Superintendent of Schools rounds out the membership. County appointments or members make up the majority of the Board of Health. The County contributed approximately 6.4 percent of the board's revenues during its fiscal year ended June 30, 2013. Because the County appoints the majority of the board and because of the financial relationship between the Health Department and the County, the Health Department is reported as a discretely presented component unit.

The Board of Health operates on a June 30 fiscal year. The County does not prepare the financial statements of the Board of Health. The Board of Health engages other auditors to perform an audit of its financial records. Complete financial statements of the Gwinnett County Health Department may be obtained at the following address:

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

## **Related Organizations**

The **Housing Authority of Gwinnett County** (the "Housing Authority") is considered a related organization based upon the criteria in GASB Statement No. 14. Pursuant to *Official Code of Georgia Annotated (O.C.G.A.)* §8-3-4, the Housing Authority is a separate legal entity from Gwinnett County. Further, pursuant to *O.C.G.A.* §8-3-50, the County appoints a voting majority of the Housing Authority members. However, the County is not able to impose its will upon the Housing Authority nor does a financial benefit/burden relationship exist between them.

The **Arts Facility Authority** is considered a related organization based upon the criteria in GASB Statement No. 14. The Arts Facility Authority is a separate legal entity from Gwinnett County. The County appoints the five-member board of the Arts Facility Authority. However, the County is not able to impose its will upon the Arts Facility Authority nor does a financial benefit/burden relationship exist between them.

## **Joint Venture**

The **Atlanta Regional Commission** (the "ARC") is considered a joint venture based upon the criteria in GASB Statement No. 14. Under Georgia law, the County, in conjunction with other cities and counties in the 10-county metropolitan Atlanta, Georgia, area, is a member of the ARC. Membership in a Regional Commission (RC) is required by *O.C.G.A.* §50-8-34, which provides for the organizational structure of the RC in Georgia. The County paid dues in the amount of \$825,100 to the ARC for the year ended December 31, 2013. The RC Board membership includes the chief elected official of each county and municipality of the area. *O.C.G.A.* §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Complete financial statements of the RC may be obtained at the following address:

Atlanta Regional Commission  
40 Courtland Street, NE  
Atlanta, GA 30303

## **B. Governmentwide and fund financial statements**

The governmentwide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmentwide financial statements do not provide information by fund, but distinguish between the County's governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units. The statement of net position includes noncurrent assets and liabilities. In addition, the governmentwide statement of activities reflects depreciation expenses on the County's capital assets.

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

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

### **C. Measurement focus, basis of accounting, and financial statement presentation**

The governmentwide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements (agency funds do not have a measurement focus but use the accrual basis of accounting). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Major revenue sources which are susceptible to accrual are property tax, sales tax, insurance premium tax, and intergovernmental revenue. Similar to accrual accounting, expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. For 2013, the County has recorded a \$27 million receivable and unavailable revenue for insurance premium tax due from the state of Georgia for taxes collected in 2013, which will be paid to the County in 2014. The County has recorded a \$6.3 million receivable and unavailable revenue for property taxes levied in 2013 and prior years, but expected to be collected in 2014 (adjusted for an allowance for doubtful accounts). The County also recorded a \$3.3 million receivable and unavailable revenue for emergency medical services provided in 2013, but expected to be collected in 2014 (adjusted for an allowance for doubtful accounts).

Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The non-major governmental and enterprise funds are aggregated into a single column within the respective fund financial statements.

## **The County reports the following major governmental funds:**

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

The **Fire and Emergency Medical Services (EMS) District Fund** accounts for the revenues and expenditures attributable to the Fire and Emergency Medical Services District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. The city of Loganville operates its own fire department, but residents and businesses continue to receive county-provided emergency medical services.

The **Police Services District Fund** accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments. Gwinnett County is responsible for providing police protection within this district.

The **Other Capital Projects Fund** accounts for the financial resources to be used for the purchase and construction of major capital facilities, other than those accounted for in specific funds, which are not financed by the proprietary funds.

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

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

## **The County reports the following major proprietary funds:**

The **Water and Sewerage Fund** accounts for the activities of the Water and Sewerage Authority, a blended component unit of the government, and the Water and Sewerage System. The system includes sewage treatment plants, sewage pumping stations and collection system, and the water production plants and the distribution system.

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

**Internal Service Funds** are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government on a cost reimbursement basis. The County's internal service funds include the Group Self-Insurance, Risk Management, Fleet Management, Auto Liability, and Administrative Support Funds.

**Proprietary Funds** distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. The Water and Sewerage Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds also include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**The County also reports the following fiduciary fund types:**

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

**Pension and Other Employee Benefit Trust Funds** account for the County's Defined Benefit Pension Plan and Other Post-Employment Benefits. These funds accumulate resources for pension and post-employment benefit payments to qualified retirees.

**D. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include demand deposits and savings accounts with financial institutions and deposits with fiscal agents. State of Georgia statutes and the County's investment policy authorize the County to invest in direct obligations of the U.S. government; obligations insured or guaranteed by the U.S. government or a U.S. government agency; obligations of any U.S. government instrumentally or sponsored corporation; prime bankers' acceptances; obligations of the state of Georgia and its political subdivisions; certain collateralized repurchase agreements; certain customized and collateralized bank products; and the state of Georgia Office of State Treasurer Georgia Fund-I Liquidity Pool. Investments are carried at fair value, which is based on quoted market value.

There is negligible credit risk associated with the County's investments primarily due to reliance upon securities of the U.S. government and its agencies or instrumentalities by both the County and the Office of the State Treasurer. As with any fixed-income portfolio, market price risk exists in a changing interest rate environment and some of the County's investments are subject to decline in market value as interest rates fluctuate. Securities with more than a small amount of market risk are held almost exclusively as investment of capital funds to be used for projects with long construction schedules.

Operating funds are currently invested in the Georgia Fund-I Liquidity Pool, certificates of deposit of short duration, and U.S. government agency securities. Operating funds are also held in non-interest bearing checking accounts insured by the Federal Deposit Insurance Corporation (FDIC) or maintained in fully collateralized, interest-bearing demand deposit, savings, and public funds money market accounts with financial institutions. The Georgia Fund-I operates as a stable Net Asset Value (NAV) money market fund and is rated AA+ by Standard and Poor's. Although this pool is not registered with the Securities and Exchange Commission, the Georgia Fund-I is operated in a manner consistent with the SEC's *Rule 2a7 of the Investment Company Act of 1940*. The Georgia Fund-I is managed under the policies included in Georgia Law O.C.G.A. §36-83-1 and §36-83-8. The reported value of the Georgia Fund-I is the same as the fair value of the pool shares. (See Note 3 – Cash, Cash Equivalents, and Investments for additional information).

Pension and OPEB Trust Funds – The Pension and OPEB Trust Funds are authorized to invest in obligations of the United States Treasury or its agencies and instrumentalities; collateralized mortgage obligations; asset and mortgage-backed securities; taxable bonds that are obligations of any state and its agencies, instrumentalities, and political subdivisions; and certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations. Additionally, they are authorized to invest in common stocks, money market instruments, and corporate bonds and debentures that are not in default as to principal and interest. Investments are recorded at fair value based on quoted market prices.

## **E. Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the governmentwide statement of net position. Any residual balances outstanding between the governmental and business-type activities are reported in the governmentwide statement of net position as "internal balances." In the major fund balance sheets, these receivables and payables are classified as "due from other funds" or "due to other funds."

## **F. Inventories**

Inventories are valued at cost using a weighted average costing assumption. The cost of inventories is recorded as an expenditure at the time individual inventory items are consumed (consumption method).

## **G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid assets. The cost of the related payment is recorded as an expenditure over the time the related services are provided (consumption method).

## **H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, dams, and similar items), are reported in the applicable governmental or business-type activities columns in the governmentwide financial statements. Governmental capital assets are recorded as expenditures (capital outlay) in the governmental funds and capitalized at cost in the governmentwide statement of net position. The County's capitalization threshold is \$25,000 for software and \$5,000 for all other assets. Some assets under the threshold, such as firearms, are capitalized for control purposes.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation.

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the Water and Sewerage Fund is included as part of the capitalized value of the assets. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until completion of the project) with interest earned on investment proceeds over the same period. There was no capitalizable interest in 2013.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25 – 50
Infrastructure	45 – 50
Improvements (other than buildings)	10 – 99
Equipment	3 – 10
Vehicles	2 – 15

**I. Restricted Assets**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable debt covenants.

**J. Deferred Outflows/Inflows of Resources**

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

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

Unavailable Revenues	General	Fire and EMS District	Police Services District	Non-major governmental	Total
Property taxes	\$ 3,972	\$ 1,260	\$ 468	\$ 594	\$ 6,294
Insurance premium taxes	–	–	27,143	–	27,143
Emergency medical services	–	3,285	–	–	3,285
Special assessments	–	–	–	193	193
Total	\$ 3,972	\$ 4,545	\$ 27,611	\$ 787	\$ 36,915

**K. Compensated Absences**

The liability for accumulated unpaid vacation pay, other salary-related payments, and accumulated sick pay benefits for employees in the Defined Contribution Pension Plan have been accrued in the proprietary funds and the governmentwide statements of net position as accumulated leave benefits. Accumulated sick pay for employees in the Defined Contribution Pension Plan has been

accrued as the County has a policy in which it pays out in cash a portion of accumulated sick pay at retirement for these employees. The amount accrued for this sick pay has been estimated based on the amount which is probable to be paid. These amounts are not considered a current liability within the governmental fund types' balance sheets since they will be paid from appropriations of subsequent years.

Accumulated sick pay benefits for all other employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

## **L. Estimated Claims Payable**

The liability for claims and judgments against the County, including the estimated liability for claims incurred but not reported at year-end, has been accrued in the County's Risk Management, Group Self-Insurance, and Auto Liability Funds (Internal Service Funds) and the governmentwide statement of net position.

## **M. Pension Plan(s)**

The County provides a defined benefit pension plan to a large segment of the workforce. Eligibility is based on employment status and a vesting period. Benefits are based on years of service and other factors. As of December 31, 2013, it is the County's policy to fund the normal cost and amortization of any unfunded prior service cost over 13 years. As discussed in **Note 12**, a defined contribution plan was established effective August 1, 2000, to provide retirement benefits for appointed employees, appointed officials, and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new employees. The County provides certain other benefits to retirees and otherwise terminated employees as post-employment benefits.

## **N. Long-term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

## **O. Fund Balance**

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners, through a resolution, may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The County Administrator, Deputy County Administrator/ Chief Financial Officer and Director of Financial Services collectively are authorized to assign fund balances for specific purposes in accordance with the intent and actions of the Board of Commissioners.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

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

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

**Enterprise Funds Reserve Policy** – The County maintains a minimum level of working capital in Enterprise Funds equivalent to three months of regular, ongoing operating expenses (including transfers out), except for the Local Transit Operating Fund, which is reported as part of the Transit Fund. The Local Transit Operating Fund, or any fund that is subsidized by the General Fund on

an ongoing basis, maintains reserves equal to one month of regular, ongoing operating expenses (including transfers out), with any excess reverting back to the General Fund. For purposes of this calculation, working capital includes long-term investments that can be liquidated within five business days.

**P. Net Position**

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

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

**Q. Interfund Transactions**

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used, are reported as transfers.

**R. Connection Charges**

In the Enterprise Funds, fees charged to connect to the County's water and sewerage system, up to the cost of the connection, are recorded as operating income. The remaining portions of the fees are recorded as capital contributions.

**S. System Development Charges**

In the Water and Sewerage Fund, system development charges, in accordance with the *Water and Sewerage Ordinance*, are recorded as capital contributions.

**T. Statement of Cash Flows**

For purposes of the statement of cash flows, cash management pools, deposits in the Georgia Fund—I state investment pool, and investments purchased with an original maturity date of three months or less are considered cash equivalents.

**U. Allocation of Indirect Expenses**

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

**V. Management Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **Note 2.**

### **Legal Compliance – Budgets**

#### **The County follows these procedures in establishing the budgetary data reflected in the financial statements:**

1. Prior to December 1, the Chairman submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following January 1.
2. In December, the Board of Commissioners holds a public hearing on the proposed budget to obtain citizen comments.
3. The Board of Commissioners formally adopts the budget (or continuation budget if the Commission requires additional review of the proposed budget) at the first regular meeting in January of the current budget year. Once the Commission has agreed on the proposed budget, a resolution is adopted by the Commission replacing the proposed budget. A balanced budget is required by law. The budget specifies the anticipated funding sources for each fund and appropriations for proposed expenditures to the departments or organization units named in each fund.
4. Expenditures of any Operating Budget Fund or Capital Budget Fund shall not exceed the appropriations authorized by the budget and amendments thereto or actual funding sources, whichever is less.
5. Expenditures of any Operating Budget Fund or Capital Budget Fund are subject to the policies as established by the Board of Commissioners and the County Administrator.
6. Certain capital project budgets are adopted as multiple-year project budgets as provided for in *O.C.G.A. § 36-81-3 (b)(2)*.
7. Indirect Cost Allocations and Contributions as appropriated in any Fund within the various accounts of a Department or Agencies are restricted for the express purpose as designated.
8. A vacancy period for a minimum of ninety days shall ensue immediately upon the separation of employment by an employee from a County department or Agency.
9. Transfers of appropriations in any Fund among the various categories within a Department or Agency shall require only the approval of the Director of Financial Services so long as the total budget for each Department or Agency is not increased.
10. The County's legal level of budgeting control (the level at which expenditures may not exceed appropriations) is at the department level for each fund for which a budget is required with the following provision:

Any increase in Appropriations in any Fund for a Department, whether through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners, except in the following cases where authority is granted to:



The Department Director to:

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

The Director of Financial Services to:

- (a) allocate funds to appropriate Departments or Agency from insurance proceeds and/or from the Casualty and Liability Insurance Reserve for the replacement or repair of damaged equipment items;
- (b) allocate funds from the established Judicial Reserve to appropriate Departments or Agency for required expenses;
- (c) allocate funds from the established Prisoner Medical Reserve to various Funds, Departments or Agency when required to cover expenses;
- (d) allocate funds from the established Indigent Defense Reserve to appropriate Departments or Agency for required expenses;
- (e) allocate funds from the established Court Reporter's Reserve to appropriate Departments or Agency for required expenses;
- (f) allocate funds from the established Court Interpreter's Reserve to appropriate Departments or Agency for required expenses;
- (g) allocate funds from the established Inmate Housing Reserve to appropriate Departments or Agency for required expenses;
- (h) allocate funds from the established Fuel/Parts Reserve as required;
- (i) allocate funds from Non-Department contingencies and reserves to cover existing obligations/expenses in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;
- (j) authorize preparation and submission of applications for grant funding; however, acceptance of all grant awards is subject to the approval of the Board of Commissioners;
- (k) adjust revenue and appropriation budgets between capital projects as necessary to incorporate grant awards previously approved by the Board of Commissioners;
- (l) approve transfers of appropriations within Department or Agency for capital projects and allocate funds previously approved, or, as appropriate, transfer appropriations among fiscal years for projects as necessary to allow completion of each project and cover existing obligations/expenditures in accordance with the intent and actions of the Board of Commissioners; however, in no case shall appropriations exceed actual available funding sources;
- (m) calculate savings associated with the future vacancy of any position and shall further have the authority to amend the budget of such Department or Agency at the time a vacancy arises unless an exception has been granted; and
- (n) adjust revenue and appropriation budgets to incorporate collected revenue for confiscated assets for Special Revenue Funds and for capital fund contingency projects, and project specific levels.

The Deputy County Administrator/Chief Financial Officer to:

- (a) transfer funds from Departments under his/her direct authority within the Administrative Support Fund so long as the Administrative Support Fund Departments in total are not increased;
- (b) transfer funds from the Administrative Support Fund resulting from under expenditures to a capital fund for technology projects;
- (c) allocate funds from established reserves for leave balances at retirement, salary adjustments and reclassifications to Department and Agencies as necessary to provide funding for compensation actions, reductions in force, and retirement incentives;
- (d) transfer funds resulting from salary savings or transfer balances resulting from under expenditures in operating accounts into Non-Departmental reserves to fund accrued liabilities and expend funds within Non-Departmental reserve to reduce said accrued liabilities; and
- (e) transfer appropriations within a capital fund from an Information Technology contingency/reserve to establish new projects/initiatives for amounts up to \$100,000.

The County Administrator to:

- (a) transfer funds from Department or Agency budgets to Contribution to Capital Projects for amounts up to \$25,000;
- (b) transfer funds within a capital fund from fund or program contingencies and/or savings in existing projects to establish new projects for amounts up to \$100,000;
- (c) grant exceptions to the ninety day vacancy period upon petition by a County Department or Agency so as to permit the vacant position to be filled through hire and appointment without a corresponding budgetary impact; and
- (d) reallocate funding among projects approved by the Board of Commissioners.

Authorities for transfers of appropriations shall not be used as an alternative to the normal budget process, and are intended to be used only when necessary to facilitate the orderly management of projects and/or programs; transfers approved under these authorities may not be used to change the approved scope or the objective of any capital project.

- 11. Annual appropriated budgets are legally adopted for the General Fund, Special Revenue Funds, the Debt Service Fund, and Capital Projects Funds. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into proprietary fund general ledgers. All appropriations lapse at fiscal year-end.
- 12. Actual expenditures of each fund for the year may not exceed the budget for that fund, or amendments thereto, and may not exceed actual funding sources.

13. The Board of Commissioners shall approve increases in authorized positions. Vacant positions may be reallocated within the same Department or Agency or reassigned to another Department or Agency, and filled authorized positions may be reassigned at the same grade level between a Department or Agency with the authorization of the County Administrator.
14. The County Administrator is granted authority to authorize benefits pursuant to *O.C.G.A. § 47-23-106* for retired Superior Court Judges.
15. The compensation for county appointments by the Board of Commissioners to the various Boards and Authorities has been set. This does not preclude any department from reimbursing those members for actual expenditures incurred in the performance of duty.
16. Be it further resolved that in accordance with the *Official Code of Georgia Annotated Section 33-8-8.3(a)(1)*, the proceeds from the tax on insurance premiums shall be used solely for the purposes of funding police protection to inhabitants of the unincorporated areas of the county.

Operational control of departmental budgets is accomplished through an automated system of preliminary checks of funds availability on an appropriation unit basis (group of accounts). Encumbrances, amounts of the budgetary appropriation reserved to meet an obligation, are maintained as a technique for budgetary control and are recorded when purchase orders are issued for goods and services. In the event of insufficient funds within an appropriation unit, purchase orders are not issued until an interdepartmental budget transfer is made within policy guidelines, or until the Board of Commissioners makes additional funds available.

The original budget for the year ended December 31, 2013, was amended through supplemental appropriations as follows (in thousands of dollars):

	Original Appropriation Budget	Increase in Appropriation	Amended Appropriation Budget
General Fund	\$ 284,422	\$ 22,899	\$ 307,321
Special Revenue Funds	302,219	10,867	313,086
Debt Service Fund	25,573	–	25,573
Capital Projects Funds	233,167	68,073	301,240

The Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis) reflect these revisions.

Due to legal requirements, revenues and appropriations for the Governmental Fund Types are budgeted on a basis that is not consistent with GAAP. The actual results of operations on the budget basis are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – for the General, Fire and EMS District, Police Services District, Non-major Special Revenue (Basic Financial Statements), and all other governmental funds (Combining Statements).

Adjustments necessary to convert the results of operations from the budget basis to the GAAP basis at year-end are as follows (in thousands of dollars):

	Fund Balances at End of Year					
	General Fund	Fire and EMS District	Police Services District	Non-major Special Revenue Funds	Debt Service Fund	Capital Projects
GAAP basis fund balance	\$ 135,929	\$ 30,421	\$ 37,862	\$ 73,088	\$ 10,358	\$ 425,217
GASB 31 market adjustments	271	–	–	257	–	3,721
Budget basis	\$ 136,200	\$ 30,421	\$ 37,862	\$ 73,345	\$ 10,358	\$ 428,938

### Note 3.

#### Cash, Cash Equivalents, and Investments

Following are the components of the County's cash, cash equivalents, and investments as of December 31, 2013 (in thousands of dollars):

	Unrestricted	Restricted	Agencies	Pension and Other Employee Trust Funds	Primary Government Total
Cash and Equivalents	\$ 508,509	\$ 44,070	\$ 34,305	\$ 28,365	\$ 615,249
Investments	460,594	–	–	918,132	1,378,726
Total	\$ 969,103	\$ 44,070	\$ 34,305	\$ 946,497	\$ 1,993,975

## **Credit Risk and Interest Rate Risk – County Investments**

The investment objectives of the County are set forth below in the order of priority and are applicable to both the Liquidity Portfolio (near term cash needs) and the Investment Portfolio (longer term cash needs).

- A. Each investment decision shall first consider that capital losses are to be avoided, whether from deterioration of financial fundamentals or erosion of market value due to rapidly changing interest rates or other market and non-market factors.
- B. The portfolios must be structured in such a manner that sufficient liquidity shall exist to pay obligations as they become due, without the requirement for unplanned liquidations of securities. The Director of Financial Services shall establish criteria for the preparation of cash projections, matching maturities, and maintenance of reserve, all in order to maintain liquidity.
- C. The County seeks market rates of return on its investments, consistent with its liquidity requirements and quality and duration/maturity constraints. The County further seeks to preserve its capital by maintaining a low volatility portfolio as it relates to price fluctuations, further modifying return objectives.
- D. County funds will at all times be invested in conformity with the laws of the State of Georgia, specifically sections 36–80–3, 36–80–4, 36–82–7, and 36–83–4, along with bond ordinances or covenants, the Investment Policy, and the Department's written administrative procedures.
- E. The County's investments are to be managed on a total rate of return basis while avoiding speculative strategies and highly volatile securities. Use of high risk (volatile) derivative securities are prohibited from purchase in either the liquidity or investment portfolio. The County seeks to acquire securities with suitable characteristics and to hold those assets until such time as market conditions or other factors create clear opportunities for increased returns. Excessive trading without clearly demonstrable benefit to the County is prohibited.

## **Interest Rate Risk – County Investments**

The County's Investment Policy breaks out the County's investments into a liquidity portfolio and an investment portfolio. The liquidity portfolio has assets that are categorized as short-term funds and will be invested in permitted investments with an average maturity of 12 months or less. The investment portfolio will be invested in permitted investments with a stated maturity of no more than 5 years from the date of purchase.

## **Custodial Credit Risk: Deposits and Investments – County**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

On December 31, 2013, the County did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of investments.

As of December 31, 2013, the County's credit and interest rate risk related to the County's cash equivalents and investments, other than certificates of deposit classified as investments, was as follows:

Investment	(Market Value) Fair Value	Duration (Years)	Credit Quality
Federal agency securities	\$ 394,648,185	2.56	AAA
Federal mortgage-backed securities/collateralized mortgage obligations	78,217,879	1.86	AA+
U.S. treasury notes	12,331,465	0.63	AAA
State of Georgia GA Fund I BNYM Bonds	40,238,255	0.162	AAAf
State of Georgia GA Fund I	320,991,948	0.162	AAAf
Total cash equivalents and investments	\$ 846,427,732		

## Pension Trust Fund Investments

As of December 31, 2013, the Pension Trust Fund had \$812,437,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Quality</u>
U.S. treasury bonds	\$ 48,823	<b>AA</b>
Asset-backed securities	4,841	<b>AAA</b>
Asset-backed securities	304	<b>AA</b>
Asset-backed securities	2,354	<b>A</b>
Asset-backed securities	4,927	<b>BAA</b>
Asset-backed securities	9,831	-
U.S. government agencies	47,395	<b>AAA</b>
U.S. government agencies	1,303	<b>A</b>
U.S. government agencies	4,064	<b>BAA</b>
U.S. government agencies	8,682	-
Commercial mortgage-backed securities	4,182	<b>AAA</b>
Commercial mortgage-backed securities	1,095	<b>AA</b>
Commercial mortgage-backed securities	1,532	<b>A</b>
Commercial mortgage-backed securities	2,170	<b>BBB</b>
Commercial mortgage-backed securities	5,174	-
Futures contracts	151	-
Corporate bonds	415	<b>AAA</b>
Corporate bonds	5,006	<b>AA</b>
Corporate bonds	21,571	<b>A</b>
Corporate bonds	41,952	<b>BAA</b>
Corporate bonds	1,024	-
Collateralized mortgage obligation	269	<b>AAA</b>
Collateralized mortgage obligation	1,083	<b>BAA</b>
Collateralized mortgage obligation	4,047	-
Corporate equities	393,023	-
Non-U.S. government bonds	35	<b>A</b>
Non-U.S. government bonds	199	<b>BBB</b>
Non-U.S. corporate bonds	304	<b>BBB</b>
International equities	126,022	-
Mutual funds invested in equities	27,326	-
Preferred stock	642	<b>BAA</b>
Preferred stock	297	<b>BA</b>
Global fixed income	41,577	-
Taxable municipal bonds	390	<b>AA</b>
Taxable municipal bonds	427	-
Total	<u>\$ 812,437</u>	



**Credit Risk** – It is the Pension Trust Fund's policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States of America, or those traded on the NASDAQ National Market. The policy also limits stock investments to not more than 5 percent of the assets of any fund in common or preferred stock of any one issuing corporation. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. government treasuries and agency bonds are not classified by credit quality. Corporate equities, international equities, and mutual funds invested in equities are also not classified by credit quality.

On December 31, 2013, the Pension Trust Fund did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of plan net position.

As of December 31, 2013, the Pension Trust Fund had \$812,437,000 invested in the following types of investments (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	\$ 48,823	15.03
Asset-backed securities	22,257	8.88
U.S. government agencies	61,444	22.56
Commercial mortgage-backed securities	14,153	27.61
Futures contracts	151	–
Corporate bonds	69,968	9.95
Collateralized mortgage obligations	5,399	15.03
Corporate equities	393,023	–
Non-U.S. government bonds	234	14.36
Non-U.S. corporate bonds	304	14.36
International equities	126,022	–
Mutual funds invested in equities	27,326	–
Preferred stock	939	–
Global fixed income	41,577	–
Taxable municipal bonds	817	27.06
Total	\$ 812,437	

**Interest Rate Risk** – The Pension Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 70 percent at market value, and Fixed Income Securities between 30 percent and 50 percent. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2013, the Fixed Income Assets had an effective duration of 5.14 years compared to the Barclays Capital U.S. Aggregate of 5.16 years. The weighted average yield to maturity of the Portfolio was 2.63 percent compared to the Barclays Aggregate of 2.36 percent. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

**Foreign Currency Risk** – At December 31, 2013, \$126,022,000, or 16 percent of Retirement Plan Investment Assets, had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency (in thousands of dollars) are as follows:

<u>Investment</u>	<u>Amount</u>
Australian dollar	\$ 2,003
British pound	57,616
Canadian dollar	9,590
Euro	828
U.S. dollar invested in mutual funds with only international equity holdings	55,985
Total	<u>\$ 126,022</u>

**Pension Trust Funds Custodial Credit Risk: Deposits** – Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pension Trust Fund may not be able to recover its deposits.

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

These futures contracts are exchange-traded securities to buy or sell United States treasuries at a future date (March 2014, in the case of these contracts) for a specific price. These futures contracts obligate the Plan to purchase United States treasury notes with a notional amount of \$2,300,687 on the maturity date in March 2014, while the Pension Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of \$2,123,711 on the maturity date in March 2014. These contracts had no significant value when entered into during 2013, and the change in the fair value is an increase of \$151,314, resulting in a net fair value balance of these contracts at December 31, 2013, of a positive \$151,314.

The fair values of the futures contracts were estimated using market rates at year-end for similarly traded contracts and, in order to limit credit risk, these contracts were entered into with national financial institutions with high credit quality. Interest rate risk is minimized due to the relatively short maturity date of these contracts as they mature in March 2014.

**Securities Lending** – State statutes and management committee policies permit the Pension Trust Fund to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Pension Trust Fund's custodians lend securities of the type on loan at year-end for collateral in the form of cash or other securities of 102 percent. The cash collateral is available to the Plan for investment without default.

Cash collateral is invested in overnight investments. At year-end, the Plan had no significant credit risk exposure to borrowers because the amounts the Pension Trust Fund owed the borrowers exceeded the amounts the borrowers owed the Pension Trust Fund. The contract with the Pension Trust Fund's custodian requires it to indemnify the Pension Trust Fund if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Pension Trust Fund for income distributions by the securities' issuers while the securities are on loan.

There were no borrower or lending agent default losses and no recoveries of prior period losses during the year. There are no income distributions owing on the securities loaned. The Pension Trust Fund records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending short term collateral investment pool with a corresponding amount recorded as a liability.

### Other Post-Employment Benefits (OPEB) Trust Fund Investments

As of December 31, 2013, the OPEB Trust Fund had \$105,695,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality
U.S. treasury bonds	\$ 6,352	<b>AA</b>
Asset-backed securities	630	<b>AAA</b>
Asset-backed securities	40	<b>AA</b>
Asset-backed securities	306	<b>A</b>
Asset-backed securities	641	<b>BAA</b>
Asset-backed securities	1,279	<b>-</b>
U.S. government agencies	6,166	<b>AAA</b>
U.S. government agencies	170	<b>A</b>
U.S. government agencies	529	<b>BAA</b>
U.S. government agencies	1,129	<b>-</b>
Commercial mortgage-backed securities	544	<b>AAA</b>
Commercial mortgage-backed securities	143	<b>AA</b>
Commercial mortgage-backed securities	199	<b>A</b>
Commercial mortgage-backed securities	282	<b>BBB</b>
Commercial mortgage-backed securities	673	<b>-</b>
Futures contracts	20	<b>-</b>
Corporate bonds	54	<b>AAA</b>
Corporate bonds	651	<b>AA</b>
Corporate bonds	2,806	<b>A</b>
Corporate bonds	5,458	<b>BAA</b>
Corporate bonds	133	<b>-</b>
Collateralized mortgage obligation	35	<b>AAA</b>
Collateralized mortgage obligation	141	<b>BAA</b>
Collateralized mortgage obligation	526	<b>-</b>
Corporate equities	51,131	<b>-</b>
Non-U.S. government bonds	4	<b>A</b>
Non-U.S. government bonds	26	<b>BBB</b>
Non-U.S. corporate bonds	39	<b>BBB</b>
International equities	16,395	<b>-</b>
Mutual funds invested in equities	3,555	<b>-</b>
Preferred stock	83	<b>BAA</b>
Preferred stock	39	<b>BA</b>
Global fixed income	5,409	<b>-</b>
Taxable municipal bonds	51	<b>AA</b>
Taxable municipal bonds	56	<b>-</b>
Total	<u>\$ 105,695</u>	

**Credit Risk** – It is the OPEB Trust Fund's policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States of America, or those traded on the NASDAQ National Market. The policy also limits stock investments to not more than 5 percent of the assets of any fund in common or preferred stock of any one issuing corporation. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. government treasuries and agency bonds are not classified by credit quality. Corporate equities, international equities, and mutual funds invested in equities are also not classified by credit quality.

On December 31, 2013, the OPEB Trust Fund did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of plan net assets.

As of December 31, 2013, the OPEB Trust Fund had \$105,695,000 invested in the following types of investments (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	\$ 6,352	15.03
Asset-backed securities	2,896	8.88
U.S. government agencies	7,994	22.56
Commercial mortgage-backed securities	1,841	27.61
Futures contracts	20	–
Corporate bonds	9,102	9.95
Collateralized mortgage obligations	702	15.03
Corporate equities	51,131	–
Non-U.S. government bonds	30	14.36
Non-U.S. corporate bonds	39	14.36
International equities	16,395	–
Mutual funds invested in equities	3,555	–
Preferred stock	122	–
Global fixed income	5,409	–
Taxable municipal bonds	107	27.06
Total	<u>\$ 105,695</u>	

**Interest Rate Risk** – The Plan investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 70 percent at market value, and Fixed Income Securities between 30 percent and 50 percent. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2013, the Fixed Income Assets had an effective duration of 5.14 years compared to the Barclays Capital U.S. Aggregate of 5.16 years. The weighted average yield to maturity of the Portfolio was 2.63 percent compared to the Barclays Aggregate of 2.36 percent. Corporate equities, international equities, and mutual funds invested in equities are also not classified by interest rate risk.

**Foreign Currency Risk** – At December 31, 2013, \$16,395,000, or 16 percent of OPEB Plan investment assets, had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency (in thousands of dollars) are as follows:

<u>Investment</u>	<u>Amount</u>
Australian Dollar	\$ 261
British Pound	7,494
Canadian Dollar	1,247
U.S. dollar invested in mutual funds with only international equity holdings	7,393
Total	<u>\$ 16,395</u>

**OPEB Trust Funds Custodial Credit Risk: Deposits** – Custodial credit risk for deposits is the risk that in the event of a bank failure, the OPEB Trust Fund may not be able to recover its deposits.

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

These future contracts are exchange-traded securities to buy or sell United States treasuries at a future date (March 2014, in the case of these contracts) for a specific price. These futures contracts obligate the OPEB Trust Fund to purchase United States treasury notes with a notional amount of \$299,313 on the maturity date in March 2014, while the OPEB Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of \$276,289 on the maturity date in March 2014. These contracts had no significant value when entered into during 2013, and the change in the fair value is an increase of \$19,686, resulting in a net fair value balance of these contacts at December 31, 2013, of a positive \$19,686.

The fair values of the futures contracts were estimated using market rates as of year-end for similarly traded contracts and, in order to limit credit risk, these contracts were entered into with national financial institutions with high credit quality. Interest rate risk is minimized due to the relatively short maturity date of these contracts as they mature in March 2014.

**Securities Lending** – State statutes and management committee policies permit the OPEB Trust Fund to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OPEB Trust Fund’s custodians lend securities of the type on loan at year end for collateral in the form of cash or other securities of 102 percent. The cash collateral is available to the OPEB Trust Fund for investment without default.

Cash collateral is invested in overnight investments. At year end, the OPEB Trust Fund had no significant credit risk exposure to borrowers because the amounts the OPEB Trust Fund owed the borrowers exceeded the amounts the borrowers owed the OPEB Trust Fund. The contract with the Plan’s custodian requires it to indemnify the OPEB Trust Fund if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the OPEB Trust Fund for income distributions by the securities’ issuers while the securities are on loan.

There were no borrower or lending agent default losses and no recoveries of prior period losses during the year. There are no income distributions owing on the securities loaned. The OPEB Trust Fund records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending short term collateral investment pool with a corresponding amount recorded as a liability.

## **Note 4.**

### **Property Taxes**

The County's property taxes were levied on the assessed values of all real property including mobile homes and motor vehicles located in the county. The assessed value at January 1, 2013, upon which the 2013 levy was based, was the taxable assessed value of \$23,620,765,615 (40 percent of the estimated actual taxable value of \$59,051,914,038).

The County's 2013 millage rate of 13.75 mills includes a rate of 7.4 mills for general purposes, 0.36 mills for Development and Enforcement Services District\*; 3.2 mills for Fire and Emergency Medical Services District\*; 1.6 mills for Police Services District\*; 0.24 mills for general obligation bonds, and 0.95 mills for recreation purposes.

Property taxes for fiscal year 2013 were due in a single installment on October 3.

Levy date	January 1, 2013
Tax bills mailed by	August 1, 2013
Payment due dates	October 3, 2013
Delinquency dates	October 3, 2013
Approximate lien date	February 1, 2014

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

**Note 5.**

**Allowances For Uncollectible Receivables**

Allowances for uncollectible receivables at December 31, 2013, were as follows (in thousands of dollars):

<b>Taxes receivable:</b>	
General Fund	\$ 2,647
Fire and EMS District	58
Development and Enforcement Services District	4
Police Services District	24
Other Governmental Funds	425
	<hr style="border-top: 1px solid black;"/>
	<b>\$ 3,158</b>
 <b>Accounts receivable:</b>	
Fire and EMS District	\$ 3,527
Water and Sewerage Fund	1,933
Stormwater Fund	370
Other Enterprise Funds	502
	<hr style="border-top: 1px solid black;"/>
	<b>\$ 6,332</b>

**Note 6.**

**Due From Other Governments**

The total amount due from other governments as of December 31, 2013, is \$47,178,000. A total of \$27,144,000 is due from the state of Georgia for insurance premium tax collected by the state in 2013, but not yet paid to the County. This amount was estimated using the amount received for 2012 and adjusting it for projected population growth or decline. A total of \$14,345,000 is due from the state for sales tax. The remaining \$5,689,000 is due from various grant agencies.



## Note 7.

### Capital Assets

The County's Capital Asset activity for the year ended December 31, 2013, was as follows (in thousands of dollars):

#### Primary Government

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 641,904	16,486	2,062	656,328
Construction in progress	123,164	77,886	105,825	95,225
Total capital assets, not being depreciated	765,068	94,372	107,887	751,553
Capital assets, being depreciated:				
Land Improvements	406,998	35,932	1,970	440,960
Buildings	705,568	18,330	508	723,390
Equipment	167,872	9,418	3,390	173,900
Vehicles	85,061	10,151	4,129	91,083
Infrastructure	1,043,339	29,645	–	1,072,984
Total capital assets, being depreciated	2,408,838	103,476	9,997	2,502,317
Less accumulated depreciation for:				
Land Improvements	102,690	14,802	1,258	116,234
Buildings	164,509	21,348	240	185,617
Equipment	110,625	11,133	3,308	118,450
Vehicles	52,676	9,386	4,013	58,049
Infrastructure	282,230	25,149	–	307,379
Total accumulated depreciation	712,730	81,818	8,819	785,729
Total capital assets, being depreciated, net	1,696,108	21,658	1,178	1,716,588
Governmental-type activities capital assets, net	\$ 2,461,176	116,030	109,065	2,468,141

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 72,811	97	2,307	70,601
Construction in progress	186,832	95,470	161,876	120,426
Total capital assets, not being depreciated	259,643	95,567	164,183	191,027
Capital assets, being depreciated:				
Buildings	800,027	50,007	14,640	835,394
Improvements	3,035,161	88,708	25,000	3,098,869
Equipment	499,123	26,104	11,457	513,770
Vehicles	47,032	192	3,755	43,469
Infrastructure	724	4,923	–	5,647
Total capital assets, being depreciated	4,382,067	169,934	54,852	4,497,149
Less accumulated depreciation for:				
Buildings	136,902	18,573	6,242	149,233
Improvements	607,611	47,427	10,813	644,225
Equipment	239,364	35,945	8,254	267,055
Vehicles	26,988	3,812	3,755	27,045
Infrastructure	72	218	–	290
Total accumulated depreciation	1,010,937	105,975	29,064	1,087,848
Total capital assets, being depreciated, net	3,371,130	63,959	25,788	3,409,301
Business-type activities capital assets, net	\$ 3,630,773	159,526	189,971	3,600,328

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

**Governmental Activities:**

General Government	\$ 8,065
Public Safety	16,400
Judiciary	4,316
Public Works	31,262
Culture and Recreation	21,273
Housing and Development	502
Total depreciation expense – governmental activities	<u>\$ 81,818</u>

## Business-Type Activities:

Water and Sewerage	\$ 83,762
Airport	1,352
Solid Waste	152
Stormwater	17,682
Transit	3,027
Total depreciation expense – business-type activities	\$ 105,975

## Construction and Other Commitments

The County had active construction projects and other significant commitments as of December 31, 2013. At year-end, the County's commitments with contractors were as follows (in thousands of dollars):

Contract Value	\$ 905,633
Spent-to-Date	458,117
Remaining Commitments	\$ 447,516

## Discretely Presented Component Units

The Gwinnett County Public Library's (discretely presented component unit) capital assets reflected activity as follows (in thousands of dollars) for the year ended June 30, 2013:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	\$ 2,435	1,170	199	\$ 3,406
Less accumulated depreciation	2,143	156	199	2,100
Net capital assets	\$ 292	1,014	–	\$ 1,306

The Board of Health's (discretely presented component unit) capital assets reflected activity as follows (in thousands of dollars) for the year ended June 30, 2013:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	\$ 2,119	82	–	\$ 2,201
Capital Assets	–	10	–	10
Less accumulated depreciation	1,589	162	–	1,751
Net capital assets	\$ 530	(70)	–	\$ 460

**Note 8.**

**Long-term Obligations**

The following is a summary of changes in long-term obligations for the year ended December 31, 2013 (in thousands of dollars):

<b>Governmental Activities:</b>	January 1, 2013	Additions	Retirements	December 31, 2013	Amounts due within one year
General obligation bonds	\$ 46,385	–	(23,830)	22,555	3,410
Deferred amounts for issuance premiums	2,540	–	(733)	1,807	–
<b>Total bonds payable</b>	<b>48,925</b>	<b>–</b>	<b>(24,563)</b>	<b>24,362</b>	<b>3,410</b>

Lease payable	92,580	–	(2,215)	90,365	2,845
Accumulated leave benefits	17,276	10,888	(10,792)	17,372	11,297
Estimated claims payable	11,674	13,578	(15,820)	9,432	3,462
<b>Total governmental activity long-term liabilities</b>	<b>\$ 170,455</b>	<b>24,466</b>	<b>(53,390)</b>	<b>141,531</b>	<b>21,014</b>

<b>Business-Type Activities:</b>					
Revenue bonds	\$ 922,265	–	(57,035)	865,230	58,955
Deferred amounts for issuance premiums	39,235	–	(5,188)	34,047	–
<b>Total bonds payable</b>	<b>961,500</b>	<b>–</b>	<b>(62,223)</b>	<b>899,277</b>	<b>58,955</b>

Notes payable	52,750	–	(2,403)	50,347	2,476
Accumulated leave benefits	2,107	1,462	(1,397)	2,172	1,353
<b>Total business-type activity long-term liabilities</b>	<b>\$ 1,016,357</b>	<b>1,462</b>	<b>(66,023)</b>	<b>951,796</b>	<b>62,784</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$2,039,000 of internal service fund accumulated leave benefits and \$9,432,000 of internal service fund claims payable were included in the preceding table.

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

For business-type activities, accumulated leave benefits are liquidated by the Water and Sewerage, Airport, Stormwater, Solid Waste, and Transit Funds.

Bonds payable are comprised of General Obligation Bonds and Revenue Bonds, and are discussed below.

### **General Obligation Bonds**

The County issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the County. General Obligation Bonds have been issued for general government activities and are reported in the governmental column of the governmentwide statement of net position. General Obligation Bonds outstanding as of December 31, 2013, were as follows (in thousands of dollars):

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

### **Revenue Bonds**

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

The revenue bonds are related to proprietary activity and are reported in the Enterprise Funds, as they are expected to be repaid from Enterprise Funds revenues. Revenue bonds outstanding as of December 31, 2013, were as follows (in thousands of dollars):

	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
<b>Business Type</b>							
2003B Water and Sewerage Refunding	4.75 – 5.0	2/1 – 8/1	6/5/03	8/1/25	200,000	200,000	–
2005 Water and Sewerage Refunding	3.0 – 4.5	2/1 – 8/1	3/17/05	8/1/22	259,600	77,510	182,090
2006 Water and Sewerage Refunding	3.75 – 4.5	2/1 – 8/1	3/9/06	8/1/25	121,375	4,950	116,425
2008 Water and Sewerage	4.0 – 5.0	2/1 – 8/1	8/21/08	8/1/28	190,000	8,215	181,785
2009A Water and Sewerage	1.87 – 4.0	2/1 – 8/1	10/22/09	8/1/28	235,575	38,215	197,360
2009B Water and Sewerage	5.35 – 5.45	2/1 – 8/1	10/22/09	8/1/29	23,955	–	23,955
2011 Water and Sewerage Refunding	5.0	2/1 – 8/1	7/1/11	8/1/25	163,615	–	163,615
					<b>\$ 1,194,120</b>	<b>\$ 328,890</b>	<b>\$ 865,230</b>
							34,047
							<b>\$ 899,277</b>

Deferred Items

Net Business-Type Bonds Outstanding

The annual requirements to amortize bonds payable as of December 31, 2013, excluding unamortized bond premiums of \$35,854,000, were as follows (in thousands of dollars):

Year Ended December	General Obligation		Business-Type Revenue		Total
	Principal	Interest	Principal	Interest	
2014	3,410	762	58,955	38,065	101,192
2015	3,480	658	61,050	35,641	100,829
2016	3,690	498	63,725	33,082	100,995
2017	3,865	395	66,270	30,431	100,961
2018	3,960	287	68,925	27,667	100,839
2019 – 2023	4,150	104	292,475	98,144	394,873
2024 – 2028	–	–	233,875	32,322	266,197
2029	–	–	19,955	1,087	21,042
<b>Total</b>	<b>\$ 22,555</b>	<b>\$ 2,704</b>	<b>\$ 865,230</b>	<b>\$ 296,439</b>	<b>\$ 1,186,928</b>

## Revenue Bonds – Development Authority

Component Unit	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
Development Authority 2007 Demand	4.125 – 5.0	03/01 – 09/01	08/30/07	9/1/27	\$ 12,000	\$ 2,630	\$ 9,370
2008 Stadium	5.4 – 6.6	1/01 – 07/01	04/01/08	1/1/38	33,000	–	33,000
2010 Civic Center	2.0 – 5.0	03/01 – 09/01	11/09/10	9/1/31	52,660	4,665	47,995
<b>Subtotal</b>					\$ 97,660	\$ 7,295	90,365
Premium							4,883
<b>Total</b>							\$ 95,248

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

The estimated annual requirements to amortize the bonds payable as of December 31, 2013, were as follows (in thousands of dollars):

## Development Authority Revenue Bonds Annual Requirements

Year Ended December 31	Principal	Interest	Total Debt Service
2014	2,845	4,747	7,592
2015	2,975	4,613	7,588
2016	3,110	4,473	7,583
2017	3,260	4,325	7,585
2018	3,430	4,151	7,581
2019 – 2023	19,965	17,896	37,861
2024 – 2028	24,410	12,584	36,994
2029 – 2033	19,055	6,258	25,313
2034 – 2038	11,315	1,965	13,280
<b>Total</b>	\$ 90,365	\$ 61,012	\$ 151,377

The County is absolutely and unconditionally obligated under the terms of an intergovernmental contract relating to the bonds dated April 1, 2001, and amended December 1, 2010, with the restructuring of the same bonds to pay debt service on the 2001 bonds, including principal and interest. As a result, the County reports a capital lease obligation to component units, and the Development Authority reports a lease receivable from the primary government in an amount, and with future requirements, equal to the Development Authority bonds. The bonds were issued to finance an expansion of the existing Gwinnett Center.

The County has also entered into capital leases for a parking garage at the Gwinnett Center and the stadium (Coolray Field). The projects were financed with the 2007 and 2008 bonds previously described and are leased at cost with lease repayment terms mirroring the required debt service on the bonds.

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

Buildings	\$ 120,114
Land Improvements	\$ 15,915
Equipment	\$ 1,533

### **Advance Refunding of Debt**

In 2005, the County advance refunded that portion of the Series 1997 Water and Sewer Revenue Bonds maturing on and after August 1, 2011, in the aggregate principal amount of \$97,200,000; that portion of the Series 1998 Bonds maturing on and after August 1, 2009, in the aggregate principal amount of \$102,380,000; and that portion of the Series 1999 Bonds maturing on and after August 1, 2011, in the aggregate amount of \$50,000,000. The net proceeds of \$259,600,000 from the 2005 Water and Sewerage Refunding Bonds were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$16,085,880, resulting in a net present value savings to the County of \$13,543,952. The refunded bonds are considered defeased. At December 31, 2013, \$176,085,000 of outstanding revenue bonds were considered defeased.

In 2006, the County advance refunded that portion of the Series 2002 Water and Sewer Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of \$116,500,000. With an original principal amount of \$121,375,000, net proceeds of \$114,945,000 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$7,687,038, resulting in a net present value savings to the County of \$4,858,834. The refunded bonds are considered defeased. At December 31, 2013, \$114,500,000 of outstanding revenue bonds were considered defeased.

In 2011, the County advance refunded that portion of the Series 2003B Water and Sewer Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of \$170,360,000. With an original principal amount of \$163,615,000, net proceeds of \$188,873,037 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a true-interest cost of 2.89 percent and a net present value debt service savings of approximately \$9.43 million. The refunded bonds are considered defeased. At December 31, 2013, \$170,360,000 of outstanding 2003B revenue bonds were considered defeased.



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

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

### Debt Margin

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. At December 31, 2013, General Obligation Bonds outstanding, net of amounts available in the Debt Service Fund of \$10,358,000 totaled \$12,197,000. The statutory limit at that date was \$2,362,077,000, providing a debt margin of \$2,349,880,000.

### Debt Covenants

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. Management believes the County is in compliance with all such significant financial limitations and restrictions.

### Notes Payable

The Enterprise Funds have several Georgia Environmental Finance Authority (GEFA) loans for the construction and acquisition of buildings and equipment. Notes payable outstanding as of December 31, 2013, were as follows (in thousands of dollars):

GEFA Notes	Interest Rates %	Interest Dates	Maturity Dates	Notes Payable January 1, 2013	Additions	Retirements	Notes Payable December 31, 2013
GEFA (CW4005PA)	3.00	Monthly	11/1/28	45,628	–	2,113	43,515
GEFA (CW03-002NP)	3.00	–	–	5,093	–	212	4,881
GEFA (09-055)	3.00	–	–	2,029	–	78	1,951
				\$ 52,750	\$ –	\$ 2,403	\$ 50,347

The annual requirements to pay the notes outstanding at December 31, 2013, including interest of approximately \$13,238,000, were as follows (in thousands of dollars):

Year Ended December 31	Principal	Interest	Total
2014	2,476	1,477	3,953
2015	2,551	1,401	3,952
2016	2,629	1,324	3,953
2017	2,709	1,243	3,952
2018	2,791	1,161	3,952
2019 – 2023	15,282	4,480	19,762
2024 – 2028	17,626	2,010	19,636
2029 – 2032	4,283	142	4,425
Total	\$ 50,347	\$ 13,238	\$ 63,585

### **Operating Lease Commitments**

The County leases certain equipment under operating leases. Rental expense for all operating leases totaled \$5,127,113 for the year ended December 31, 2013. There were no significant future minimum rental payments, contingent rentals, or sublease rentals associated with leases in effect at December 31, 2013.

### **Conduit Debt**

From time to time, the Development Authority, a discretely presented component unit, has issued Industrial Development Revenue Bonds to provide financial assistance to both private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be of public interest. Neither the Development Authority, the County, state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds that are considered conduit debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were 49 series of industrial development bonds issued from January 1, 1996, to December 31, 2013, totaling \$791,051,486. The total amount of those bonds outstanding as of December 31, 2013, was \$618,256,287.

The aggregate principal amount outstanding for the 84 series issued prior to December 31, 1995, could not be determined; however, their original issue amounts totaled approximately \$231.5 million.

## Note 9.

### Interfund Balances and Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following (in thousands of dollars):

TRANSFER TO	TRANSFER FROM							Total
	General	Fire and EMS District	Police Services District	Other Capital	Non-major Governmental	Water and Sewer	Internal Service Funds	
General	\$ -	\$ -	\$ -	\$ -	\$ 53	\$ 165	\$ -	\$ 218
Fire and EMS District	28,805	-	-	-	-	-	-	28,805
Police Services District	31,518	-	-	-	-	-	-	31,518
Other Capital	10,947	2,064	9,775	-	3,893	-	571	27,250
Non-major Governmental	3,895	-	-	231	-	-	-	4,126
Non-major Enterprise	2,766	-	-	256	-	-	-	3,022
Internal Service	850	-	-	27	-	-	-	877
Total	\$ 78,781	\$ 2,064	\$ 9,775	\$ 514	\$ 3,946	\$ 165	\$ 571	\$ 95,816

The majority of transfers from the General Fund were one-time transfers to the Fire and EMS, Development and Enforcement (non-major governmental fund), and Police Services District Funds to establish a three-month reserve in accordance with the Service Delivery Strategy and related intergovernmental agreements. The General Fund also transferred funds to the Transit Enterprise Fund to cover operating deficits. Transfers into the capital projects funds from the General, Fire and EMS District, Police Services District, Non-Major Governmental, and Internal Service Funds are to fund ongoing and planned capital projects and vehicle replacements.

**Note 10.****Risk Management****A. Liability, Property, and Workers' Compensation**

It is the policy of the County not to purchase commercial insurance for various types of losses to which it is exposed. Instead, County management believes it is more economical to manage its risks by purchasing limited liability coverages and internally setting aside assets for claim settlement in its Risk Management, Workers' Compensation, and Auto Liability Funds, which are all internal service funds. The Risk Management Fund services claims for the County resulting from general liability, errors and omissions, law enforcement liability, physical damage to County vehicles, and property risks. The Auto Liability Fund services claims for the County resulting from automobile liability risks. The Workers' Compensation Fund, which is included for reporting purposes in the Risk Management Fund, services claims for the County resulting from workers' compensation risks. All departments, agencies, and authorities of the County participate in these funds.

The Risk Management, Workers' Compensation, and Auto Liability Funds allocate the cost of providing claims service and claims payment by charging a "premium," which is an allocation to each department, agency, or public authority. These charges, which consider recent trends in actual claims experience of the County as a whole, are accounted for as inter-fund services provided and used. The County self-funds up to \$2,000,000 for general liability, errors and omissions, and law enforcement liability, with excess coverage of \$20,000,000. The County fully self-funds the automobile liability exposure up to \$500,000 for bodily injury or death of any one person in any one occurrence with an annual aggregate of \$700,000 for bodily injury or death of two or more persons in any one occurrence and \$50,000 because of injury to, or destruction of, property in any one occurrence and relies on governmental immunity above these levels. The County purchases direct coverage for property and crime insurance with a limit of \$1,200,000,000 and \$2,000,000, respectively. These policies provide for a \$100,000 deductible on property damage and \$10,000 deductible on fidelity claims.

In addition, the County purchases direct coverage for off-duty and reservists police and sheriff liability with a limit of \$1,000,000; fiduciary liability with a limit of \$15,000,000; and aviation coverage for the airport and helicopters with limits of \$50,000,000 and \$20,000,000, respectively. The County is self-funded depending on the year from \$250,000 to \$1,000,000 per occurrence for workers' compensation. Amounts exceeding this are covered by an excess workers' compensation policy. Settlement claims have not exceeded self-funded coverage in the past three fiscal years; therefore, the County has not had to use the excess coverage policy.

Between June 1, 2002 and December 31, 2007, the County joined together with other counties in the state as part of the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund Large Deductible Program. This is a public entity risk pool currently operating as a workers' compensation insurance program for member local governments. The Association County Commissioners of Georgia administers the workers' compensation pool. As part of the Group Self-Insurance Workers' Compensation Fund, the County is obligated to pay all claims, contributions, and assessments as prescribed by the pool to cooperate with the pool's agents and attorneys and finalize all of our claims as soon as possible. The County also allows the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation out of any claim made against the County for workers' compensation within the scope of claims protection furnished by the fund.

The County is responsible to reimburse the fund for various deductibles of any claim between June 1, 2002 and December 31, 2007. Deductibles varied from \$250,000 to \$600,000 depending on the year. Amounts exceeding the various deductibles are covered by an excess workers' compensation policy. The fund is responsible to defend and protect members of the fund in accordance with workers' compensation law of Georgia. In 2008, the County was a part of the Association County Commissioners of Georgia Self-Insurance Workers' Compensation Fund Large Deductible Program due to open claims that occurred between June 1, 2002 and December 31, 2007. However, starting January 1, 2008, Gwinnett County left the Association County Commissioners of Georgia Self-Insurance Workers' Compensation Fund Large Deductible Program for any new claims and became independently self-insured. The County hired a third party administrator, Alternative Service Concepts, Inc., to handle claims. The County is responsible for the first \$1,000,000 of any claim and amounts exceeding the \$1,000,000 retention are covered by an excess workers' compensation policy.

Outstanding liabilities are reported when it is probable a loss has occurred and the amount of that loss may be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards; therefore, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities may be discounted; that is, they will reflect potential investment income that is expected to be earned on the loss reserves until they are paid.

Changes in balances of claims liabilities for each of the two years in the two-year period ended December 31, 2013, were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2013	\$ 10,270,000	\$ 137,000	\$ 2,216,000	\$ 8,191,000
2012	8,520,000	7,366,000	5,616,000	10,270,000

At December 31, 2013, the Risk Management Fund held \$20,860,000 in cash and cash equivalents available for payment of these claims.

## B. Group Health Insurance

The County accounts for the risks associated with the employee's health insurance plan in the Group Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The County maintains specific stop loss coverage in the amount of \$325,000 per covered individual to reduce the exposure from catastrophic claims. Two third-party administrators are employed to process claims for the group insurance health program. The County has not experienced any significant decreases in insurance coverage.

Changes in balances of claims liabilities for the Group Self-Insurance Fund during 2013 and 2012 were as follows:

	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2013	\$ 1,404,000	\$ 13,441,000	\$ 13,604,000	\$ 1,241,000
2012	1,843,000	15,049,000	15,488,000	1,404,000

At December 31, 2013, the Group Health Insurance Fund held \$21,279,000 in cash and cash equivalents available for payment of these claims.

**2013 Claims for Active Employees:**

In 2013, there were 1,479 active employees electing medical coverage under self-funded medical plans. The County pays approximately 80 percent of the actuarial projected cost for medical and hospitalization costs incurred by these eligible participants. Expenses by type for the year ended December 31, 2013, were as follows (in thousands):

1,479 Active Employees Electing Medical Coverage

Administrative Costs	\$ 783,000
Stop Loss Insurance	604,000
Claims Experience	13,604
Total	<u>\$ 1,400,604</u>

**Note II.**

**Deferred Compensation Plan**

The County maintains a Section 457(b) Deferred Compensation Plan administered by a third party. As a result, the assets and liabilities of the plan are not recorded on the County's financial statements. All contributions to this plan are voluntary employee contributions.

**Note 12.****Pensions****A. Plan Description**

The Gwinnett County Public Employees Retirement System (the “Plan”) is a single-employer defined benefit pension plan. The present plan covers all employees of Gwinnett County who are members of the Defined Benefit Pension Plan. The Plan was created as a successor to a previous plan by action of the Board of Commissioners on September 19, 2006. The Retirement Plans Management Committee, composed of seven members who serve without compensation by the Plan, is the trustee of the Plan. The Bank of New York Mellon is the custodian for the Plan. Great-West Retirement Services is the third-party administrator of the Plan. Benefit provisions and contribution requirements are established and may be amended by the Retirement Plans Management Committee, subject to approval by the Gwinnett County Board of Commissioners.

**General**

The following brief description of the pension plan terms is provided for general information purposes only. Participants should refer to the plan document for more complete information.

Gwinnett County previously participated in the agent-multiple employer Association County Commissioners of Georgia Defined Benefit Plan and the Association County Commissioners of Georgia Defined Benefit Plan Master Trust Agreement sponsored by the Association of County Commissioners of Georgia. Having determined that it was in the best interest of the County and plan participants and beneficiaries, the County established the Gwinnett County Defined Benefit Plan, effective January 1, 2007, as a single employer, locally governed plan for the benefit of its employees and other eligible individuals as provided for in the Plan document. Assets held in the Association County Commissioners of Georgia Defined Benefit Plan Master Trust for the benefit of Gwinnett County employees were transferred to the Plan in 2007.

**Retirement Options/Benefit Provisions**

Normal retirement age under the Plan is 65. Employees having an employment or reemployment date prior to November 1, 2004 become fully vested after three years of service. Employees having an employment or reemployment date after November 1, 2004 become fully vested after five years of service.

Early retirement means the following when a Participant becomes eligible:

*Schedule A:* A participant accruing benefits under *Schedule A* shall be entitled to an Unreduced Early Retirement Pension when he completes thirty (30) years of Vesting Service or attains sixty-five (65) years of age with at least 5 years of participation. A Participant accruing benefits under *Schedule A* will be entitled to a Reduced Early Retirement Pension on the latter of the date he attains sixty (60) years of age and completes ten (10) years of service.

*Schedule B or Schedule C:* A participant accruing benefits under *Schedule B* or *Schedule C* shall be entitled to an Unreduced Early Retirement Pension on the earlier of the following dates; (i) the Participant completes thirty (30) years of Vesting Service; or (ii) latter of the date (A) he attains fifty (50) years of age and (B) his age, combined with his years of Vesting Service, equals or exceeds seventy-five (75) or he attains age sixty-five (65) with 5 years of plan participation. A Participant accruing benefits under *Schedule B* or *Schedule C* will be entitled to a Reduced Early Retirement Pension on the latter of the date he attains sixty (60) years of age and completes ten (10) years of service.

Normal retirement benefits are based on a participant's average monthly compensation for the highest 60 consecutive months of credited service out of the employee's last 120 months of credited service prior to termination of employment. Normal retirement factor is 2.25 percent of participant's average monthly compensation multiplied by years of full-time credited service for *Schedule A* and *B*. Normal retirement factor is 2.5 percent of participant's average monthly compensation multiplied by years of full-time credited service for *Schedule C*.

Participants who retire will receive a cost of living increase as follows:

*Schedule A:* There is no cost of living adjustment for benefits provided under *Schedule A*.

*Schedule B or C:* A participant receiving retirement, disability pension, survivor, or deferred vested benefits under the provisions of any of the Employee Contributory Plans shall be entitled to a cost of living adjustment of his benefit in the amount of 1 (one) percent per year.

A participant who, prior to satisfying the requirements for a normal, early, or reduced retirement pension shall be entitled to receive a Disability Pension if the participant has completed 10 years of full-time service and is determined to be totally disabled by the Social Security Administration prior to the participant's termination of employment.

Joint and survivor retirement benefits to a participant's designated beneficiary are provided by the Plan, as well as a 10 years certain benefit option.

A Post-Retirement Death Benefit of up to \$15,000 (payable in a lump sum) is provided for each participant receiving an early, reduced, normal, or late retirement pension, who retire directly from County employment.

### **Eligibility**

Full-time employees with an employment or reemployment commencement date before December 31, 2006 who did not elect to participate in the Defined Contribution Plan are eligible to participate in the Plan.

Employees hired or rehired after January 1, 2007; county commissioners, other elected officials and appointed officials with an employment or reemployment date after August 1, 2000; and employees who elected to participate in the Defined Contribution Plan are excluded from participation in the Defined Benefit Plan. The Defined Benefit Plan is closed to new entrants.



## Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the Plan as of January 1, 2014.

### Plan Membership as of January 1, 2014

Retirees, beneficiaries and disabled participants receiving benefits	1,850
Terminated plan members entitled to but not receiving benefits	862
Active plan members	1,847
Total	4,559

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

75 Langley Drive  
Lawrenceville, GA 30046

## B. Contributions

Gwinnett County is required to contribute an actuarially determined amount annually to the Plan's trust. The required contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Effective January 1, 2013 plan year, the required contribution rate, for County contributions, as a percent of pensionable earnings was set at 31.30 percent. The employees were required to contribute at an average rate of 6.99 percent of pensionable earnings.

The table below shows County costs and contributions for the year ended December 31, 2013, for the current Defined Benefit Pension Plan and the prior two years.

### Schedule of Employer Cost and Contributions (in thousands of dollars)

Fiscal Year	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Asset End of Year
2013	\$ 45,644	\$ 57,281	125%	\$ 152,694
2012	43,477	55,181	127%	141,057
2011	43,711	64,063	147%	129,353

The County's annual pension cost and net pension asset for the 2013 fiscal year were as follows:

Annual required contribution	\$ 37,281,000
Interest from net pension asset	(11,284,536)
Adjustment	19,647,332
Annual pension cost	<u>45,643,796</u>
Actual contributions to plan	57,281,000
Less: annual pension cost	45,643,796
Increase in net pension asset	<u>11,637,204</u>
Net pension asset as of January 1, 2013	<u>141,056,703</u>
Net pension asset as of December 31, 2013	<u><u>\$ 152,693,907</u></u>

**C. Defined Benefit Pension Plan**

As of the most recent valuation date, January 1, 2014, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/14	\$ 802,857,000	\$ 956,487,667	\$ 153,630,667	83.9%	\$ 103,602,731	148.3%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The assumptions used in the January 1, 2014 actuarial valuation were as follows:

## Actuarial Methods and Assumptions:

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay
Amortization period	Closed
Remaining amortization period	13 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return (includes inflation)	8.00%
Projected salary increases (includes inflation)	4.50 – 5.50%
Price inflation	3.00%
Wage inflation	4.00%
Cost-of-living adjustments	1.00%
Payroll decrease	5.00%

## D. Defined Contribution Pension Plan

The Gwinnett County Defined Contribution Pension Plan (the “DC Plan”) is a defined contribution pension plan established by Gwinnett County on August 1, 2000 to provide retirement benefits for appointed and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new participants. The DC Plan is administered by Great-West Retirement Services. On December 31, 2013, there were 2,510 active participants. Plan participants are required to make a one-time, irrevocable election of either 2.5, 5.0, or 7.5 percent contribution of their pensionable earnings, and the County is required to contribute 11.5 percent of pensionable earnings (for employees hired prior to January 1, 2007) or 7.0 percent of pensionable earnings (for employees hired after January 1, 2007). Plan provisions and contribution requirements are established by and may be amended by the County Board of Commissioners within the scope of all applicable laws. The effective date of the plan was August 1, 2000. For the year ended December 31, 2013, the amount contributed by employees was \$4,189,791. The amount contributed by the County was \$9,482,809. Effective January 1, 2007, a one percent match of pensionable earnings for each employee who contributes at least 2.5 percent to their 457(b) account is made by the County to the DC Plan. Employees vest in the County contributions on the following schedule: after 1 year of service they are vested 33 percent, after 2 years of service they are vested 67 percent, and after 3 years of service they are vested 100 percent.

The DC Plan also contains an additional benefit – the Retiree Medical Savings Plan (401h). This plan is also administered by Great-West Retirement Services. All contributions to this plan are made by the County at 1.5 percent of pensionable earnings. This plan is for employees hired prior to January 1, 2007. Upon retirement, employees may receive disbursements from this account for eligible medical expenses. In 2013, the County contributed \$443,936 to this plan. Persons leaving County employment prior to retirement forfeit all rights or claims against the medical savings program and those funds are returned to the program for payment of expenses or redistribution in accordance with IRS §401h.

**Note 13.****Other Post-Employment Benefits****A. Plan Description**

The Gwinnett County Retirement System Health Insurance Plan (the “OPEB Plan”) is a single-employer defined benefit postretirement health care plan, or Other Post-Employment Benefit (OPEB) plan. The Gwinnett County OPEB Trust is an irrevocable trust established pursuant to Section 115 of the Internal Revenue Code for the purpose of pre-funding other post-employment benefits provided under its welfare benefit plans in accordance with GASB Statement 43 and GASB Statement 45. The trust was established, effective January 1, 2007, by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and other former employees (and their eligible dependents) who are eligible for such benefits under existing County policy. The Retirement Plans Management Committee, composed of seven members who serve without compensation by the OPEB Plan, is the trustee of the Plan. The Bank of New York Mellon is the custodian for the trust. Benefit provisions and contribution requirements are established and may be amended by the County Administrator.

**General**

The following brief description of the OPEB plan terms is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

**Retirement Options/Benefit Provisions**

Eligible retirees and former employees who are not Medicare Eligible are offered the same health and prescription drug coverage as active employees. Medicare Eligible retirees and former employees who are Medicare Eligible are offered Medicare Advantage plans. Retirees pay approximately 35.8 percent of actuarially calculated and self-supporting monthly rates. The County contributes the remainder of the rates, but it caps its contribution at specific monthly limits. Participants pay 100 percent of the cost of vision and dental coverage.

**Eligibility**

Eligible participants for Other Post-Employment Benefits include:

1. Retirees who retired directly from Gwinnett County and who elected to enroll in the retiree medical benefit plan
2. Retirees who retired directly from Gwinnett County and who elected to enroll in another, similar retiree medical benefit plan and who subsequently involuntarily lost that other coverage
3. Surviving beneficiaries receiving a Gwinnett County pension
4. Ex-elected officials who complete one full-term in office and who upon leaving office have no similar group health plan available to them
5. Certain disabled former employees

## Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership in the OPEB Plan as of January 1, 2014.

Active participants	4,362
Retirees and beneficiaries	<u>1,898</u>
Total	<u><u>6,260</u></u>

Complete financial statements for the Gwinnett County Retirement System Health Insurance Plan can be obtained at the Gwinnett County Department of Financial Services located at:

75 Langley Drive  
Lawrenceville, GA 30046

## B. Contributions

In 2013, Gwinnett County contributed an actuarially determined amount to the OPEB Plan's trust. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in GASB Statement 45.

Schedule of Employer Cost and Contributions (in thousands of dollars)

Fiscal Year	Annual OPEB Cost	Actual County Contribution	Percentage of AOPEBC Contributed	Net OPEB Asset End of Year
2013	\$ 10,687	\$ 11,313	105.86%	\$ 30,409
2012	15,216	16,877	110.91%	29,783
2011	15,956	24,313	152.37%	28,123

The County's annual OPEB cost and net OPEB asset for the 2013 fiscal year were as follows:

Employer annual required contribution	\$ 11,136,787
Interest on net OPEB asset	(2,084,826)
Adjustment	1,634,606
Annual OPEB cost	<u>10,686,567</u>
Employer actual contributions to plan	11,312,740
Less: annual OPEB cost	<u>10,686,567</u>
Increase in net OPEB asset	626,173
Net OPEB asset as of December 31, 2012	<u>29,783,229</u>
Net OPEB asset as of December 31, 2013	<u>\$ 30,409,402</u>

### C. OPEB Plan

As of the most recent valuation date, January 1, 2014, the funded status of the OPEB Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/14	\$ 106,219,472	\$ 177,473,914	\$ 71,254,442	59.85%	\$ 206,639,657	34.48%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the types of benefit provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The assumptions used in the January 1, 2014 actuarial valuation were as follows:

### Actuarial Methods and Assumptions

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay (open)
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.00%
Medical cost trend rate:	
Pre-Medicare rate	7.50 – 5.00%
Ultimate trend rate	5.00%
Year of ultimate trend rate	2018
Post-Medicare rate	6.00 – 5.00%
Ultimate trend rate	5.00%
Year of ultimate trend rate	2017

\*Includes inflation at 3.00%

**Note 14.**

**Fund Balances and Net Position**

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

Nonspendable, restricted, committed, assigned, and unassigned fund balances in the various funds as of December 31, 2013, were as follows (in thousands of dollars):

Fund balances	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	Other Governmental	Total
<b>Nonspendable:</b>								
Inventories	\$ 1,469	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 268	\$ 1,737
Prepaid items	30	–	–	–	–	–	–	30
<b>Restricted for:</b>								
Capital projects	–	–	–	–	22,508	315,194	–	337,702
Debt service	–	–	–	–	–	–	10,358	10,358
Special projects:								
Street lighting	–	–	–	–	–	–	2,929	2,929
Speed humps	–	–	–	–	–	–	1,205	1,205
Authority imaging	–	–	–	–	–	–	1,986	1,986
Juvenile court supervision	–	–	–	–	–	–	103	103
Tourism	–	–	–	–	–	–	6,684	6,684
Stadium	–	–	–	–	–	–	1,280	1,280
Law enforcement – sheriff	–	–	–	–	–	–	960	960
Law enforcement – police	–	–	–	–	–	–	6,028	6,028
Crime victims assistance	–	–	–	–	–	–	1,362	1,362
Law enforcement – district attorney	–	–	–	–	–	–	455	455
Corrections inmate welfare	–	–	–	–	–	–	70	70
Sheriff inmate store	–	–	–	–	–	–	2,066	2,066
E-911 services	–	–	–	–	–	–	27,181	27,181
Loganville EMS district	–	–	–	–	–	–	796	796
Development and enforcement services district	–	–	–	–	–	–	5,233	5,233
Recreation district	–	–	–	–	–	–	14,368	14,368
Grants	–	–	–	–	–	–	4,291	4,291
Fire and EMS district	–	30,421	–	–	–	–	–	30,421
Police services district	–	–	37,862	–	–	–	–	37,862
<b>Committed to:</b>								
Tree bank	–	–	–	–	–	–	114	114
<b>Assigned to:</b>								
General fund – 2014 budget: appropriation of fund balance	743	–	–	–	–	–	–	743
Capital projects	–	–	–	87,515	–	–	–	87,515
<b>Unassigned</b>	133,687	–	–	–	–	–	–	133,687
<b>Total fund balances</b>	\$ 135,929	\$ 30,421	\$ 37,862	\$ 87,515	\$ 22,508	\$ 315,194	\$ 87,737	\$ 717,166



## B. Net Position

Net position in the governmentwide statements as of December 31, 2013, was as follows (in thousands of dollars):

Net Position	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 2,348,661	\$ 2,664,664	\$ 5,013,325
<b>Restricted for:</b>			
Capital projects	337,702	–	337,702
Debt service	10,477	24,375	34,852
Special programs:			
Street lighting	3,120	–	3,120
Speed humps	1,207	–	1,207
Authority imaging	1,986	–	1,986
Juvenile court supervision	103	–	103
Tourism	6,684	–	6,684
Stadium	1,280	–	1,280
Law enforcement – sheriff	960	–	960
Law enforcement – police	6,028	–	6,028
Crime victims assistance	1,362	–	1,362
Law enforcement – district attorney	455	–	455
Corrections inmate welfare	70	–	70
Sheriff inmate store	2,066	–	2,066
E-911 services	27,181	–	27,181
Loganville EMS district	796	–	796
Development and enforcement services district	5,322	–	5,322
Recreation district	15,022	–	15,022
Grants	4,291	–	4,291
Fire and EMS district	34,966	–	34,966
Police services district	65,473	–	65,473
<b>Unrestricted</b>	<b>478,218</b>	<b>221,920</b>	<b>700,138</b>
<b>Total net position</b>	<b>\$ 3,353,430</b>	<b>\$ 2,910,959</b>	<b>\$ 6,264,389</b>

## **Note 15.**

### **Contingencies**

#### **A. Litigation**

The County is a defendant in a number of legal actions in the nature of claims for alleged damages to persons and property, wrongful death, violation of civil rights, employment issues, and other similar types of actions arising in the course of County operations. There are a number of these wrongful death, civil rights, and personal injury cases pending against the County, which in the aggregate, create a significant risk of liability exposure to the County. Management believes based upon the opinion of legal counsel that current reserves in the Risk Management Fund should be adequate to cover this exposure.

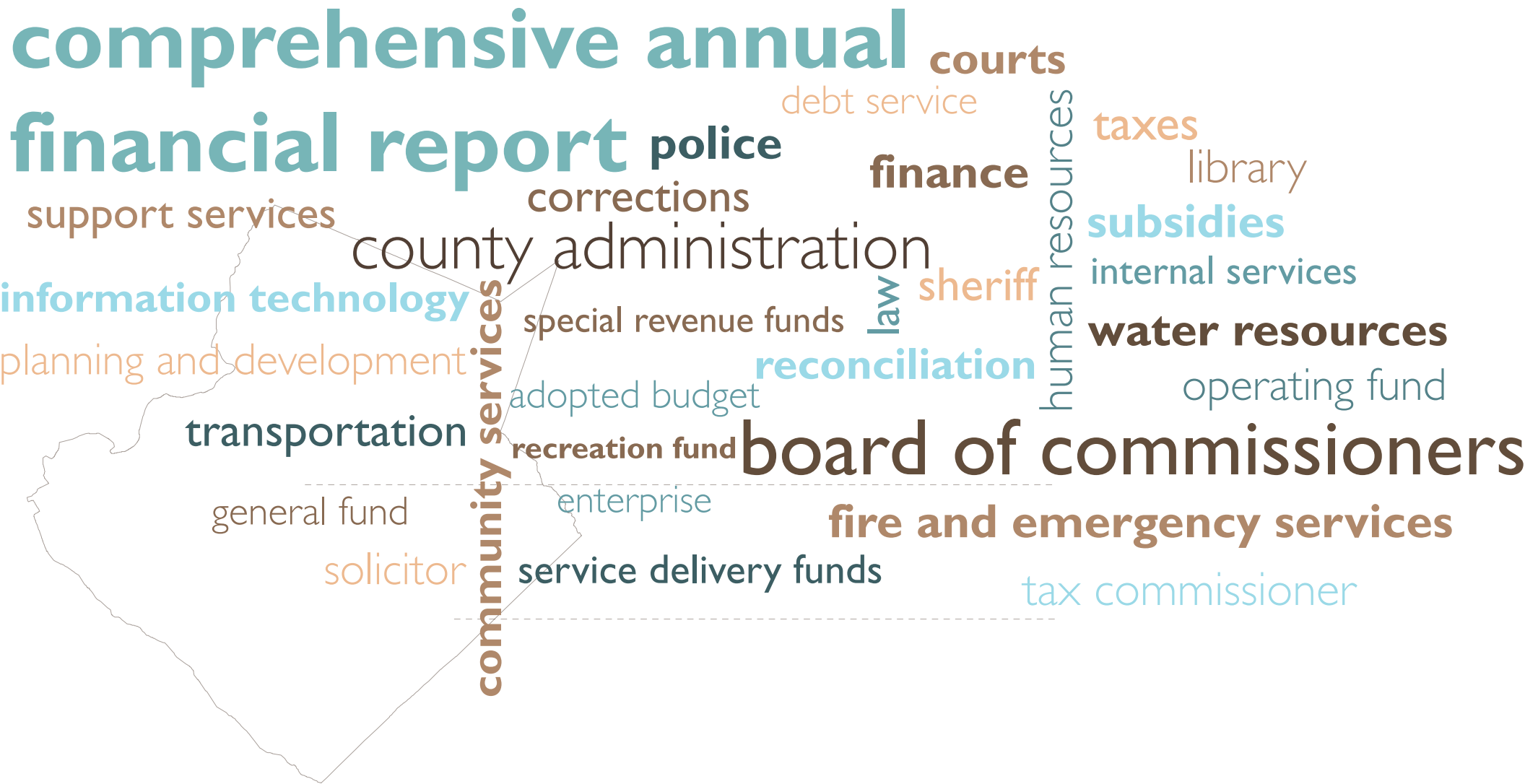
#### **B. Grants**

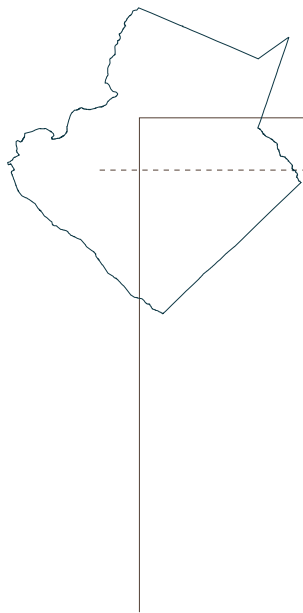
The County participates in a number of federal financial assistance programs. These programs are subject to independent financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although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

## **Note 16.**

### **Subsequent Event**

On January 1, 2014, the County donated 110 miles of roads to the newly incorporated city of Peachtree Corners. The County is disclosing the donation as a subsequent event due to its material nature (estimated over \$5 million), and will remove the capital assets and related accumulated depreciation from its financial statements for the year ended December 31, 2014.





- required supplementary information

## Required Supplementary Information Defined Benefit Pension Plan

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

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll (Prior year)	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
2014	\$ 802,857	\$ 956,488	83.9%	\$ 153,631	\$ 103,603	148.3%
2013	\$ 704,197	\$ 916,192	76.9%	\$ 211,995	\$ 110,766	191.4%
2012	\$ 652,425	\$ 849,165	76.8%	\$ 196,740	\$ 116,610	168.7%

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

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

75 Langley Drive  
Lawrenceville, GA 30046

## Required Supplementary Information Other Post-Employment Benefits

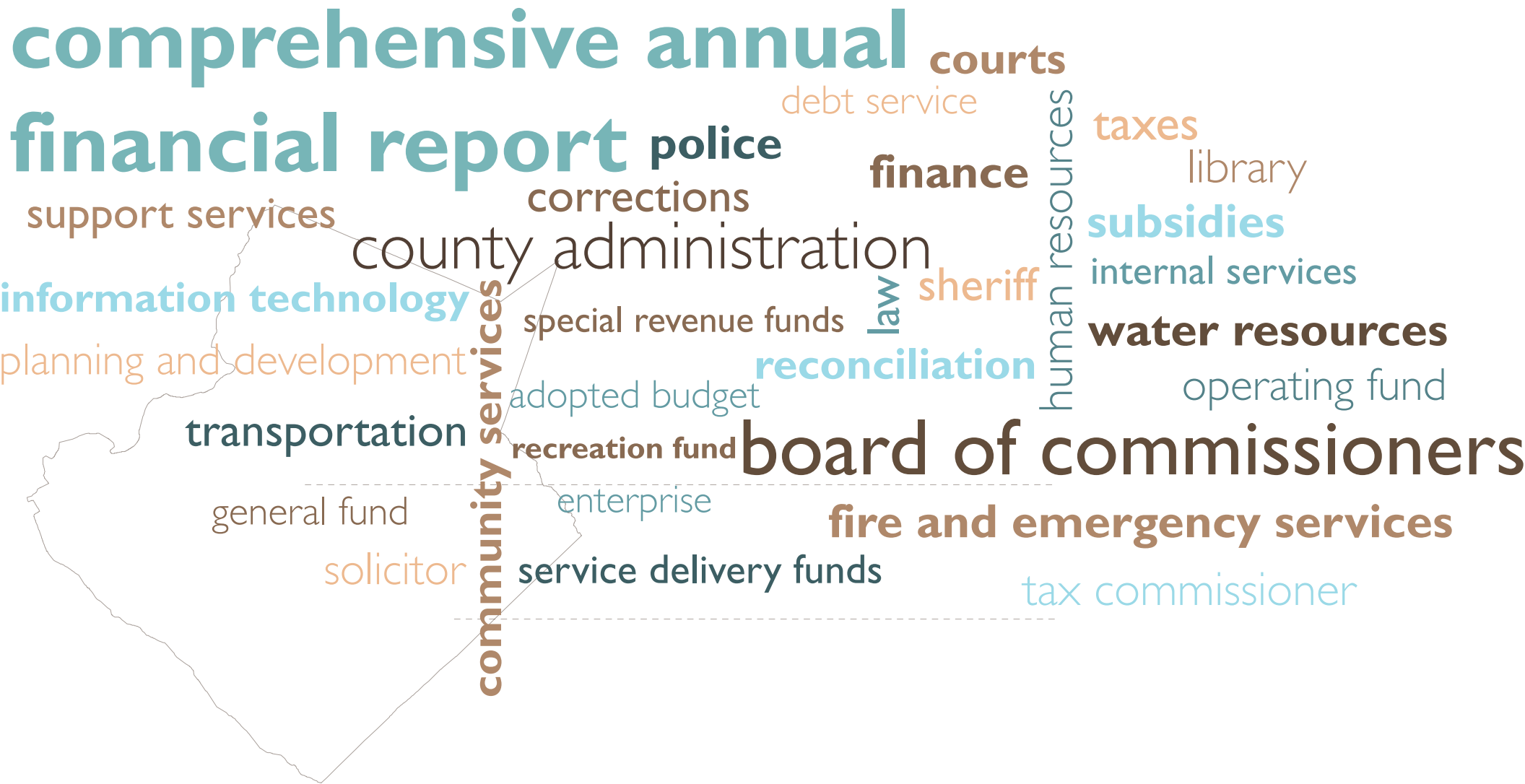
Required Supplementary Information Schedule of Funding Progress (unaudited) (in thousands of dollars)

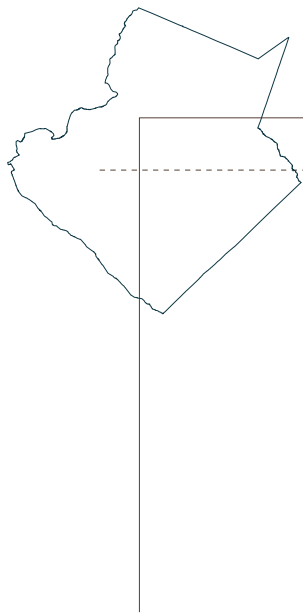
Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll (Prior year)	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
2014	\$ 106,219	\$ 177,474	59.9%	\$ 71,254	\$ 206,640	34.5%
2013	\$ 87,136	\$ 154,127	56.5%	\$ 66,991	\$ 210,700	31.8%
2012	\$ 68,117	\$ 155,737	43.7%	\$ 87,619	\$ 211,636	41.4%

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

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

75 Langley Drive  
Lawrenceville, GA 30046





• governmental funds



## **Non-Major Governmental Funds Special Revenue**

### **Street Lighting Fund**

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

### **Speed Hump Fund**

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

### **Authority Imaging Fund**

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

### **Juvenile Court Supervision**

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

### **Tree Bank Fund**

The Tree Bank Fund accounts for all financial transactions relating to the tree preservation and replacement plan in accordance with the *Gwinnett County Buffer, Landscape, and Tree Ordinance*. Revenue collected from developers, when the required tree density units cannot be met, is committed by the Board of Commissioners for the planting of trees.

### **Tourism Fund**

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

### **Stadium Fund**

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





**Sheriff Special Justice Fund**

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

**Sheriff Special Treasury Fund**

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

**Sheriff Special State Fund**

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

**Police Special Justice Fund**

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

**Police Special Treasury Fund**

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

**Police Special State Fund**

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

**Crime Victims Assistance Fund**

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

**District Attorney Federal Asset Sharing Fund**

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



## **Corrections Inmate Welfare Fund**

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

## **Sheriff Inmate Fund**

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

## **E-911 Fund**

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

## **Loganville Emergency Medical Services District Fund**

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

## **Development and Enforcement Services District Fund**

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

## **Recreation District Funds**

Recreation District Funds include the combined accounts of the Recreation Authority and the Recreation Fund, which account for the operations and maintenance of County parks and recreational facilities. Financing is provided by a specific annual property tax levy restricted for recreation and miscellaneous revenues including admissions, concessions, and sports activity fees.

## **Grant Funds**

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

## **Debt Service Fund**

### **Debt Service Fund**

The Debt Service Fund specifically accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenue is derived principally from a countywide property tax levied for debt services.



**Other Governmental Funds  
Combining Balance Sheet  
December 31, 2013  
(in thousands of dollars)**

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury
<b>ASSETS:</b>									
Cash and cash equivalents	\$ 2,508	908	1,986	103	114	6,425	1,192	165	654
Investments	950	300	-	-	-	-	-	-	-
Receivables, net of allowance:									
Taxes	221	3	-	-	-	-	-	-	-
Accounts	1	-	-	-	-	546	88	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 3,680</u>	<u>1,211</u>	<u>1,986</u>	<u>103</u>	<u>114</u>	<u>6,971</u>	<u>1,280</u>	<u>165</u>	<u>654</u>
<b>LIABILITIES:</b>									
Accounts payable	\$ 560	4	-	-	-	287	-	-	-
Payroll payable	-	-	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-
Total liabilities	<u>560</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>									
Unavailable revenue-property taxes	191	2	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>191</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	2,929	1,205	1,986	103	-	6,684	1,280	165	654
Committed	-	-	-	-	114	-	-	-	-
Total fund balances	<u>2,929</u>	<u>1,205</u>	<u>1,986</u>	<u>103</u>	<u>114</u>	<u>6,684</u>	<u>1,280</u>	<u>165</u>	<u>654</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,680</u>	<u>1,211</u>	<u>1,986</u>	<u>103</u>	<u>114</u>	<u>6,971</u>	<u>1,280</u>	<u>165</u>	<u>654</u>

# Comprehensive Annual Financial Report 2013

## Special Revenue Funds

Sheriff Special State	Police Special Justice	Police Special State	Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement District	Recreation District	Grant	Total	Debt Service	Total Other Governmental Funds
141	3,166	3,118	1,362	455	74	2,080	12,711	117	3,056	12,696	2,130	55,161	10,333	65,494
-	-	-	-	-	-	-	14,840	679	2,501	2,501	-	21,771	-	21,771
-	-	-	-	-	-	-	-	-	109	481	-	814	144	958
-	-	-	30	-	-	-	387	-	6	5	-	1,063	-	1,063
-	-	-	-	-	-	-	-	-	-	-	3,640	3,640	-	3,640
-	-	-	-	-	-	-	-	-	-	268	-	268	-	268
<u>141</u>	<u>3,166</u>	<u>3,118</u>	<u>1,392</u>	<u>455</u>	<u>74</u>	<u>2,080</u>	<u>27,938</u>	<u>796</u>	<u>5,672</u>	<u>15,951</u>	<u>5,770</u>	<u>82,717</u>	<u>10,477</u>	<u>93,194</u>
-	122	134	2	-	1	14	552	-	198	557	1,324	3,755	-	3,755
-	-	-	28	-	3	-	205	-	-	372	-	608	-	608
-	-	-	-	-	-	-	-	-	-	-	155	155	-	155
-	-	-	-	-	-	-	-	-	152	-	-	152	-	152
<u>-</u>	<u>122</u>	<u>134</u>	<u>30</u>	<u>-</u>	<u>4</u>	<u>14</u>	<u>757</u>	<u>-</u>	<u>350</u>	<u>929</u>	<u>1,479</u>	<u>4,670</u>	<u>-</u>	<u>4,670</u>
-	-	-	-	-	-	-	-	-	89	386	-	668	119	787
-	-	-	-	-	-	-	-	-	89	386	-	668	119	787
-	-	-	-	-	-	-	-	-	-	268	-	268	-	268
141	3,044	2,984	1,362	455	70	2,066	27,181	796	5,233	14,368	4,291	76,997	10,358	87,355
-	-	-	-	-	-	-	-	-	-	-	-	114	-	114
<u>141</u>	<u>3,044</u>	<u>2,984</u>	<u>1,362</u>	<u>455</u>	<u>70</u>	<u>2,066</u>	<u>27,181</u>	<u>796</u>	<u>5,233</u>	<u>14,636</u>	<u>4,291</u>	<u>77,379</u>	<u>10,358</u>	<u>87,737</u>
<u>141</u>	<u>3,166</u>	<u>3,118</u>	<u>1,392</u>	<u>455</u>	<u>74</u>	<u>2,080</u>	<u>27,938</u>	<u>796</u>	<u>5,672</u>	<u>15,951</u>	<u>5,770</u>	<u>82,717</u>	<u>10,477</u>	<u>93,194</u>

**Other Governmental Funds  
Combining Statement of  
Revenues, Expenditures  
and Changes in  
Fund Balances  
Year Ended  
December 31, 2013  
(in thousands of dollars)**

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State
<b>REVENUES:</b>										
Taxes	\$ -	-	-	-	-	7,578	991	-	-	-
Permits and licenses	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	400	-	-	-
Charges for services	6,790	117	675	55	52	-	1,004	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	70	216	-
Investment earnings (losses)	1	1	2	-	-	6	-	-	1	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>6,791</u>	<u>118</u>	<u>677</u>	<u>55</u>	<u>52</u>	<u>7,584</u>	<u>2,395</u>	<u>70</u>	<u>217</u>	<u>-</u>
<b>EXPENDITURES:</b>										
Current operating:										
Public safety	-	-	-	-	-	-	-	-	-	-
Judiciary	-	-	-	60	-	-	-	25	407	23
Public works	6,843	61	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	2,358	-	-	-	-
Development authority	-	-	-	-	-	4,940	2,156	-	-	-
Grant programs	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	95	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>6,843</u>	<u>61</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>7,298</u>	<u>2,156</u>	<u>120</u>	<u>407</u>	<u>23</u>
Revenues in excess of (less than) expenditures	<u>(52)</u>	<u>57</u>	<u>677</u>	<u>(5)</u>	<u>52</u>	<u>286</u>	<u>239</u>	<u>(50)</u>	<u>(190)</u>	<u>(23)</u>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(3)	(3)	-
Other financing sources (uses), net	-	-	-	-	-	-	-	(3)	(3)	-
Net change in fund balances	(52)	57	677	(5)	52	286	239	(53)	(193)	(23)
Fund balances – January 1	<u>2,981</u>	<u>1,148</u>	<u>1,309</u>	<u>108</u>	<u>62</u>	<u>6,398</u>	<u>1,041</u>	<u>218</u>	<u>847</u>	<u>164</u>
Fund balances – December 31	<u>\$ 2,929</u>	<u>1,205</u>	<u>1,986</u>	<u>103</u>	<u>114</u>	<u>6,684</u>	<u>1,280</u>	<u>165</u>	<u>654</u>	<u>141</u>

# Comprehensive Annual Financial Report 2013

## Special Revenue Funds

Police Special Justice	Police Special Treasury	Police Special State	Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement District	Recreation District	Grant	Total	Debt Service	Total Other Governmental Funds
-	-	-	-	-	-	-	-	-	5,026	23,958	-	37,553	6,308	43,861
-	-	-	-	-	-	-	-	-	3,452	-	-	3,452	-	3,452
-	-	-	-	-	-	-	-	-	-	120	14,852	15,372	29	15,401
-	-	-	-	-	68	493	12,990	-	427	3,363	-	26,034	-	26,034
209	-	497	898	117	-	-	-	-	-	-	-	2,007	-	2,007
-	-	-	1	-	-	-	(115)	(13)	3	13	1	(99)	-	(99)
-	-	1	2	3	17	-	7	-	4	2,053	3,027	5,114	-	5,114
209	-	498	901	120	85	493	12,882	(13)	8,912	29,507	17,880	89,433	6,337	95,770
454	25	579	-	-	62	-	11,765	11	2,291	-	-	15,187	-	15,187
-	-	-	962	114	-	239	-	-	-	-	-	1,830	-	1,830
-	-	-	-	-	-	-	-	-	-	-	-	6,904	-	6,904
-	-	-	-	-	-	-	-	-	-	25,672	-	25,672	-	25,672
-	-	-	-	-	-	-	-	-	5,092	-	-	5,092	-	5,092
-	-	-	-	-	-	-	-	-	-	-	-	2,358	-	2,358
-	-	-	-	-	-	-	-	-	-	-	-	7,096	-	7,096
-	-	-	-	-	-	-	-	-	-	-	-	13,358	-	13,358
-	47	150	-	-	-	8	-	-	-	-	6,506	6,806	-	6,806
-	-	-	-	-	-	-	-	-	-	-	-	-	24,871	24,871
-	-	-	-	-	-	-	3,311	-	-	-	-	3,311	-	3,311
454	72	729	962	114	62	247	15,076	11	7,383	25,672	19,864	87,614	24,871	112,485
(245)	(72)	(231)	(61)	6	23	246	(2,194)	(24)	1,529	3,835	(1,984)	1,819	(18,534)	(16,715)
-	-	231	-	-	-	-	-	-	3,764	-	131	4,126	-	4,126
(114)	-	(82)	-	-	-	-	(35)	-	(60)	(3,598)	(51)	(3,946)	-	(3,946)
(114)	-	149	-	-	-	-	(35)	-	3,704	(3,598)	80	180	-	180
(359)	(72)	(82)	(61)	6	23	246	(2,229)	(24)	5,233	237	(1,904)	1,999	(18,534)	(16,535)
3,403	72	3,066	1,423	449	47	1,820	29,410	820	-	14,399	6,195	75,380	28,892	104,272
3,044	-	2,984	1,362	455	70	2,066	27,181	796	5,233	14,636	4,291	77,379	10,358	87,737





## **Budgetary Compliance**

### **Special Revenue Funds**

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

### **Capital Projects Funds**

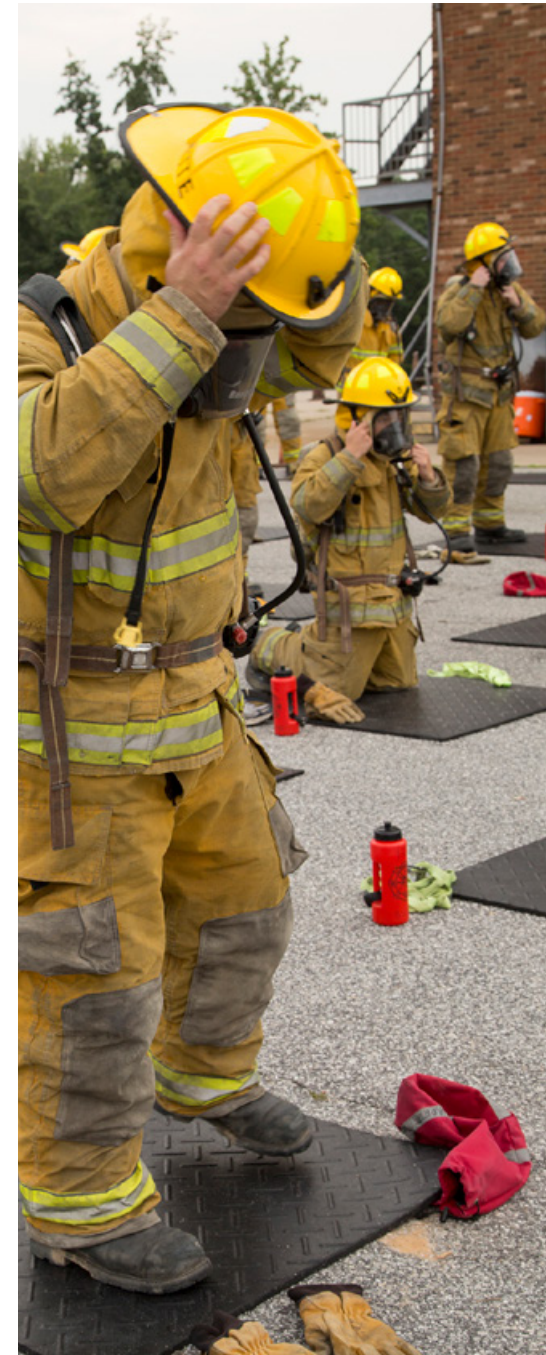
Schedule of revenues, expenditures, and changes in fund balances – budget and actual

### **Debt Service Fund**

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

### **Grant Fund**

Schedule of revenues and expenditures – budget and actual



**Special Revenue Funds  
Schedule of Revenues,  
Expenditures, and Changes  
In Fund Balances Budget and  
Actual (Budget Basis)  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Street Lighting			Speed Hump		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
<b>REVENUES:</b>						
Taxes	\$ -	-	-	-	-	-
Permits and licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	6,962	6,790	(172)	116	117	1
Fines and forfeitures	-	-	-	-	-	-
Investment earnings (losses)	5	1	(4)	2	1	(1)
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>6,967</u>	<u>6,791</u>	<u>(176)</u>	<u>118</u>	<u>118</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Current operating:						
Public safety	-	-	-	-	-	-
Judiciary	-	-	-	-	-	-
Public works	7,422	6,843	579	62	61	1
Culture and recreation	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Development authority	-	-	-	-	-	-
Total expenditures	<u>7,422</u>	<u>6,843</u>	<u>579</u>	<u>62</u>	<u>61</u>	<u>1</u>
Revenues in excess of (less than) expenditures	<u>(455)</u>	<u>(52)</u>	<u>403</u>	<u>56</u>	<u>57</u>	<u>1</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	<u>(455)</u>	<u>(52)</u>	<u>403</u>	<u>56</u>	<u>57</u>	<u>1</u>
Fund balance allocation	455	-	(455)	(56)	-	56
Fund balances – January 1	<u>-</u>	<u>2,981</u>	<u>2,981</u>	<u>-</u>	<u>1,148</u>	<u>1,148</u>
Fund balances – December 31	<u>\$ -</u>	<u>2,929</u>	<u>2,929</u>	<u>-</u>	<u>1,205</u>	<u>1,205</u>

# Comprehensive Annual Financial Report 2013

Authority Imaging			Juvenile Court Supervision			Tree Bank			Tourism			Stadium		
Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
-	-	-	-	-	-	-	-	-	6,756	7,578	822	800	991	191
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	400	400	-
707	675	(32)	68	55	(13)	12	52	40	-	-	-	981	1,004	23
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	2	2	-	-	-	-	-	-	9	6	(3)	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
707	677	(30)	68	55	(13)	12	52	40	6,765	7,584	819	2,181	2,395	214
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,965	-	1,965	68	60	8	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	26	-	26	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	2,372	2,358	14	-	-	-
-	-	-	-	-	-	-	-	-	4,940	4,940	-	2,156	2,156	-
1,965	-	1,965	68	60	8	26	-	26	7,312	7,298	14	2,156	2,156	-
(1,258)	677	1,935	-	(5)	(5)	(14)	52	66	(547)	286	833	25	239	214
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1,258)	677	1,935	-	(5)	(5)	(14)	52	66	(547)	286	833	25	239	214
1,258	-	(1,258)	-	-	-	14	-	(14)	547	-	(547)	(25)	-	25
-	1,309	1,309	-	108	108	-	62	62	-	6,398	6,398	-	1,041	1,041
-	1,986	1,986	-	103	103	-	114	114	-	6,684	6,684	-	1,280	1,280

continued...

**Special Revenue Funds  
Schedule of Revenues,  
Expenditures, and Changes  
In Fund Balances Budget and  
Actual (Budget Basis) – continued  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Sheriff Special Justice			Sheriff Special Treasury		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
<b>REVENUES:</b>						
Taxes	\$ -	-	-	-	-	-
Permits and licenses	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	69	70	1	216	216	-
Investment earnings (losses)	-	-	-	1	1	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>69</u>	<u>70</u>	<u>1</u>	<u>217</u>	<u>217</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Current operating:						
Public safety	-	-	-	-	-	-
Judiciary	266	120	146	1,051	407	644
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Development authority	-	-	-	-	-	-
Total expenditures	<u>266</u>	<u>120</u>	<u>146</u>	<u>1,051</u>	<u>407</u>	<u>644</u>
Revenues in excess of (less than) expenditures	<u>(197)</u>	<u>(50)</u>	<u>147</u>	<u>(834)</u>	<u>(190)</u>	<u>644</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>(13)</u>	<u>(3)</u>	<u>10</u>
Other financing sources (uses), net	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>(13)</u>	<u>(3)</u>	<u>10</u>
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	<u>(200)</u>	<u>(53)</u>	<u>147</u>	<u>(847)</u>	<u>(193)</u>	<u>654</u>
Fund balance allocation	200	-	(200)	847	-	(847)
Fund balances – January 1	<u>-</u>	<u>218</u>	<u>218</u>	<u>-</u>	<u>847</u>	<u>847</u>
Fund balances – December 31	<u>\$ -</u>	<u>165</u>	<u>165</u>	<u>-</u>	<u>654</u>	<u>654</u>

# Comprehensive Annual Financial Report 2013

Sheriff Special State			Police Special Justice			Police Special Treasury			Police Special State			Crime Victims Assistance		
Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	209	209	-	-	-	-	497	497	-	875	898	23
-	-	-	-	-	-	-	-	-	-	-	-	1	1	-
-	-	-	-	-	-	-	-	-	1	1	-	1	2	1
-	-	-	209	209	-	-	-	-	498	498	-	877	901	24
-	-	-	1,321	454	867	72	72	-	1,207	729	478	-	-	-
150	23	127	-	-	-	-	-	-	-	-	-	1,121	962	159
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	23	127	1,321	454	867	72	72	-	1,207	729	478	1,121	962	159
(150)	(23)	127	(1,112)	(245)	867	(72)	(72)	-	(709)	(231)	478	(244)	(61)	183
-	-	-	-	-	-	-	-	-	-	231	231	-	-	-
-	-	-	(127)	(114)	13	-	-	-	(87)	(82)	5	-	-	-
-	-	-	(127)	(114)	13	-	-	-	(87)	149	236	-	-	-
(150)	(23)	127	(1,239)	(359)	880	(72)	(72)	-	(796)	(82)	714	(244)	(61)	183
150	-	(150)	1,239	-	(1,239)	72	-	(72)	796	-	(796)	244	-	(244)
-	164	164	-	3,403	3,403	-	72	72	-	3,066	3,066	-	1,423	1,423
-	141	141	-	3,044	3,044	-	-	-	-	2,984	2,984	-	1,362	1,362

continued...

**Special Revenue Funds  
Schedule of Revenues,  
Expenditures, and Changes  
In Fund Balances Budget and  
Actual (Budget Basis) – continued  
Year Ended December 31, 2013  
(in thousands of dollars)**

	District Attorney Federal Asset Sharing			Corrections Inmate Welfare		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
<b>REVENUES:</b>						
Taxes	\$ —	—	—	—	—	—
Permits and licenses	—	—	—	—	—	—
Intergovernmental	—	—	—	—	—	—
Charges for services	—	—	—	49	68	19
Fines and forfeitures	117	117	—	—	—	—
Investment earnings (losses)	1	—	(1)	—	—	—
Miscellaneous	—	3	3	7	17	10
Total revenues	<u>118</u>	<u>120</u>	<u>2</u>	<u>56</u>	<u>85</u>	<u>29</u>
<b>EXPENDITURES:</b>						
Current operating:						
Public safety	—	—	—	74	62	12
Judiciary	322	114	208	—	—	—
Public works	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—
Tourism	—	—	—	—	—	—
Development authority	—	—	—	—	—	—
Total expenditures	<u>322</u>	<u>114</u>	<u>208</u>	<u>74</u>	<u>62</u>	<u>12</u>
Revenues in excess of (less than) expenditures	<u>(204)</u>	<u>6</u>	<u>210</u>	<u>(18)</u>	<u>23</u>	<u>41</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—
Other financing sources (uses), net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	<u>(204)</u>	<u>6</u>	<u>210</u>	<u>(18)</u>	<u>23</u>	<u>41</u>
Fund balance allocation	204	—	(204)	18	—	(18)
Fund balances – January 1	<u>—</u>	<u>449</u>	<u>449</u>	<u>—</u>	<u>47</u>	<u>47</u>
Fund balances – December 31	<u>\$ —</u>	<u>455</u>	<u>455</u>	<u>—</u>	<u>70</u>	<u>70</u>

# Comprehensive Annual Financial Report 2013

Sheriff Inmate			E-911			Loganville EMS District			Development and Enforcement District			Recreation District		
Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
-	-	-	-	-	-	-	-	-	5,488	5,026	(462)	24,204	23,958	(246)
-	-	-	-	-	-	-	-	-	3,115	3,452	337	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	53	120	67
416	493	77	14,083	12,990	(1,093)	-	-	-	337	427	90	3,772	3,363	(409)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	59	126	67	1	3	2	3	3	-	11	13	2
-	-	-	4	7	3	-	-	-	3	4	1	1,876	2,053	177
416	493	77	14,146	13,123	(1,023)	1	3	2	8,946	8,912	(34)	29,916	29,507	(409)
-	-	-	16,606	15,076	1,530	17	11	6	2,327	2,291	36	-	-	-
536	247	289	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	6,007	5,092	915	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	26,605	25,672	933
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
536	247	289	16,606	15,076	1,530	17	11	6	8,334	7,383	951	26,605	25,672	933
(120)	246	366	(2,460)	(1,953)	507	(16)	(8)	8	612	1,529	917	3,311	3,835	524
-	-	-	-	-	-	-	-	-	3,764	3,764	-	-	-	-
-	-	-	(36)	(35)	1	-	-	-	(60)	(60)	-	(3,598)	(3,598)	-
-	-	-	(36)	(35)	1	-	-	-	3,704	3,704	-	(3,598)	(3,598)	-
(120)	246	366	(2,496)	(1,988)	508	(16)	(8)	8	4,316	5,233	917	(287)	237	524
120	-	(120)	2,496	-	(2,496)	16	-	(16)	(4,316)	-	4,316	287	-	(287)
-	1,820	1,820	-	29,410	29,410	-	820	820	-	-	-	-	14,399	14,399
-	2,066	2,066	-	27,422	27,422	-	812	812	-	5,233	5,233	-	14,636	14,636

**Capital Projects Funds  
Schedule of Revenues,  
Expenditures, and Changes  
in Fund Balances Budget  
and Actual (Budget Basis)  
Year Ended December 31, 2013  
(in thousands of dollars)**

	2005 Sales Tax			2009 Sales Tax		
	Budget	Actual	Variance- positive (negative)	Budget	Actual	Variance- positive (negative)
<b>REVENUES:</b>						
Sales tax proceeds	\$ -	-	-	147,394	138,350	(9,044)
Intergovernmental	10,932	6,026	(4,906)	23,383	7,820	(15,563)
Charges for services	-	-	-	5	5	-
Fines and forfeitures	-	-	-	-	-	-
Investment earnings (losses)	923	604	(319)	1,358	2,087	729
Miscellaneous	1,087	1,318	231	59	40	(19)
Total revenues	12,942	7,948	(4,994)	172,199	148,302	(23,897)
<b>EXPENDITURES:</b>						
Capital outlay	23,675	23,674	1	62,633	62,633	-
Intergovernmental	-	-	-	21,258	21,258	-
Total expenditures	23,675	23,674	1	83,891	83,891	-
Revenues in excess of (less than) expenditures	(10,733)	(15,726)	(4,993)	88,308	64,411	(23,897)
<b>OTHER FINANCING SOURCES:</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other financing sources, net	-	-	-	-	-	-
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(10,733)	(15,726)	(4,993)	88,308	64,411	(23,897)
Fund balance allocation	10,733	-	(10,733)	(88,308)	-	88,308
Fund balances – January 1	-	38,235	38,235	-	253,988	253,988
Fund balances – December 31	\$ -	22,509	22,509	-	318,399	318,399



## Other Capital Projects

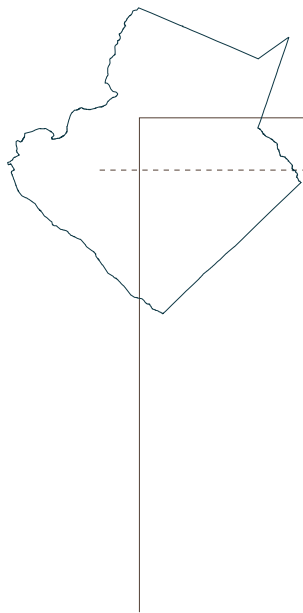
Budget	Actual	Variance-positive (negative)
-	-	-
728	213	(515)
-	-	-
12	31	19
11	65	54
382	1,107	725
1,133	1,416	283
193,160	18,854	174,306
-	-	-
193,160	18,854	174,306
(192,027)	(17,438)	174,589
27,554	27,250	(304)
(514)	(514)	-
27,040	26,736	(304)
(164,987)	9,298	174,285
164,987	-	(164,987)
-	78,732	78,732
-	88,030	88,030

**Debt Service Fund  
Schedule of Revenues,  
Expenditures and Changes  
in Fund Balances Budget  
and Actual (Budget Basis)  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Debt Service Fund		
	Budget	Actual	Variance-positive (negative)
<b>REVENUES:</b>			
Taxes	\$ 5,718	6,308	590
Intergovernmental	19	29	10
Investment income	21	–	(21)
Total revenues	5,758	6,337	579
<b>EXPENDITURES:</b>			
Debt service	25,573	24,871	702
Total expenditures	25,573	24,871	702
Revenues in excess of (less than) expenditures	(19,815)	(18,534)	1,281
Fund balance allocation	19,815	–	(19,815)
Fund balances – January 1	–	28,892	28,892
Fund balances – December 31	\$ –	10,358	10,358

**Grant Fund Schedule of Revenues and Expenditures Budget and Actual (Budget Basis) Year Ended December 31, 2013**  
(in thousands of dollars)

	Grant Fund		
	Budget	Actual (non-GAAP budget basis)	Variance-positive (negative)
<b>REVENUES:</b>			
Intergovernmental revenues	\$ 49,122	21,303	(27,819)
Local revenues	1,952	3,922	1,970
Total revenues	51,074	25,225	(25,849)
<b>EXPENDITURES:</b>			
Program expenditures	51,074	27,232	23,842
Revenues in excess of (less than) expenditures	\$ —	(2,007)	(2,007)



• enterprise funds

## Other Enterprise Funds

### Airport Fund

Airport Funds include the combined accounts of the Airport Enterprise Funds and the Airport Authority, which are used to account for the acquisition, construction, operations, and maintenance of the Gwinnett County Airport, Briscoe Field. Revenues are generally derived from the rental of space and facilities.

### Solid Waste Fund

Solid Waste Funds account for the financial transactions related to solid waste management in accordance with the *Solid Waste Collection and Disposal Services Ordinance*. The primary intent of the ordinance is the reduction of solid waste being received at disposal facilities. Revenues are derived from non-exclusive franchise fees paid by commercial waste haulers and service fees paid by residential homeowners in unincorporated Gwinnett County.

### Transit Fund

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



**Other Enterprise Funds  
Combining Statement  
of Net Position  
December 31, 2013  
(in thousands of dollars)**

	Airport	Solid Waste	Transit	Total
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 1,775	33,107	1,029	35,911
Accounts receivable, net of allowance	48	701	2,388	3,137
Due from other governments	1,204	–	845	2,049
Total current assets	<u>3,027</u>	<u>33,808</u>	<u>4,262</u>	<u>41,097</u>
Noncurrent assets:				
Investments	–	18,449	1,775	20,224
Land and construction in progress	11,595	1,783	1,989	15,367
Other capital assets, net of depreciation	8,591	3,154	16,292	28,037
Total noncurrent assets	<u>20,186</u>	<u>23,386</u>	<u>20,056</u>	<u>63,628</u>
Total assets	<u>23,213</u>	<u>57,194</u>	<u>24,318</u>	<u>104,725</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	75	3,353	1,210	4,638
Payroll payable	10	14	8	32
Retainage payable	130	–	8	138
Accumulated leave benefits – current	15	10	7	32
Due to others	2	–	118	120
Unearned revenue	–	40,459	–	40,459
Total current liabilities	<u>232</u>	<u>43,836</u>	<u>1,351</u>	<u>45,419</u>
Noncurrent liabilities:				
Accumulated leave benefits – noncurrent	11	5	4	20
Total noncurrent liabilities	<u>11</u>	<u>5</u>	<u>4</u>	<u>20</u>
Total liabilities	<u>243</u>	<u>43,841</u>	<u>1,355</u>	<u>45,439</u>
<b>NET POSITION:</b>				
Net investment in capital assets	20,056	4,937	18,273	43,266
Unrestricted	2,914	8,416	4,690	16,020
Total net position	<u>\$ 22,970</u>	<u>13,353</u>	<u>22,963</u>	<u>59,286</u>

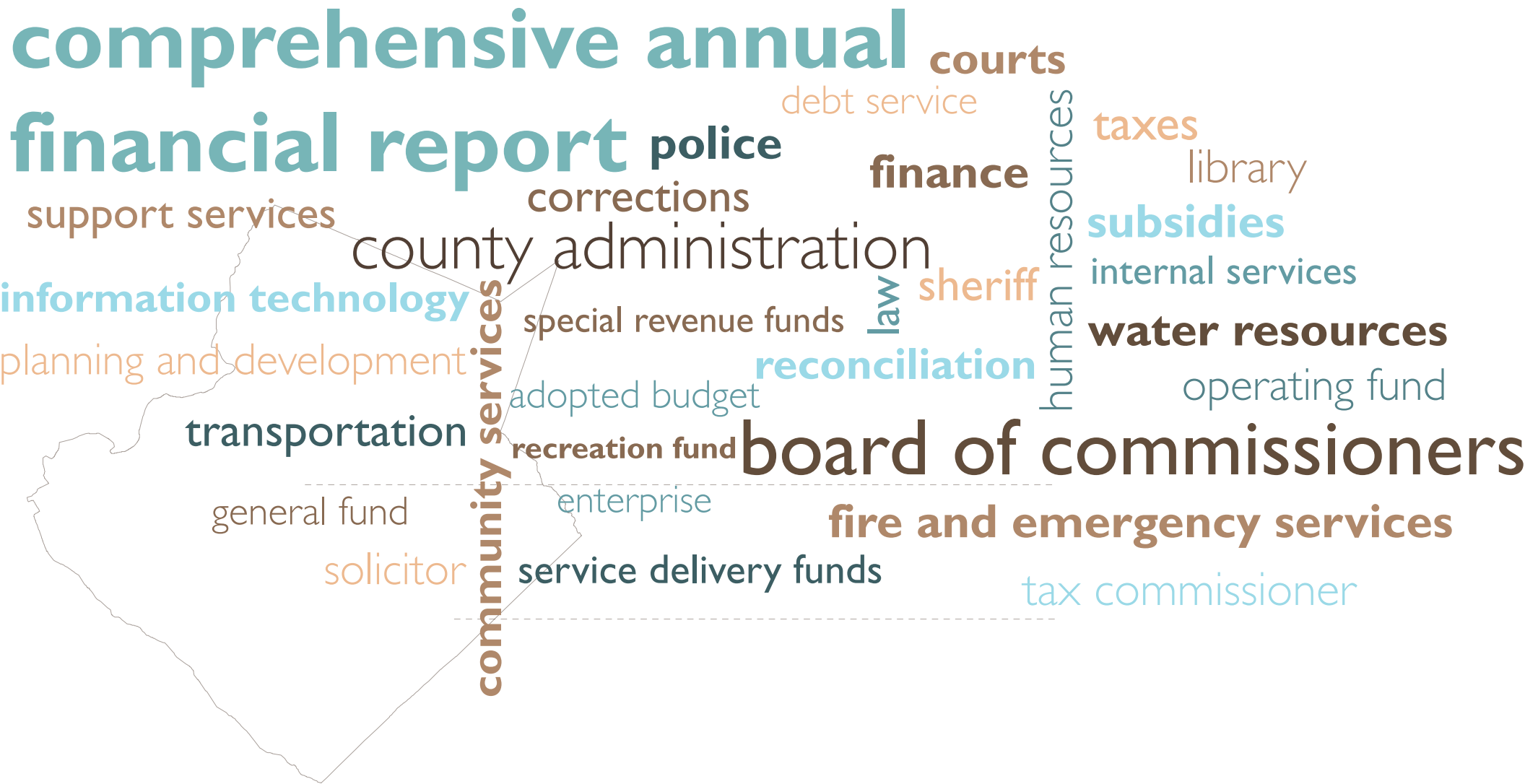
**Other Enterprise Funds  
Combining Statement of  
Revenues, Expenses, and  
Changes in Fund Net Position  
Year Ended December 31, 2013  
(in thousands of dollars)**

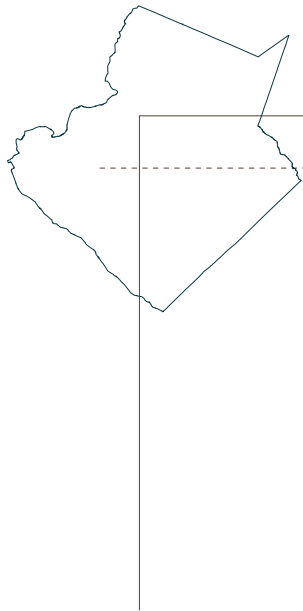
	Airport	Solid Waste	Transit	Total
<b>OPERATING REVENUES:</b>				
Operating lease and rental income from individual hanger	\$ 857	–	–	857
User fees and charges	–	42,568	4,332	46,900
Miscellaneous	2	2	387	391
Total operating revenues	<u>859</u>	<u>42,570</u>	<u>4,719</u>	<u>48,148</u>
<b>OPERATING EXPENSES:</b>				
Depreciation	1,352	152	3,027	4,531
Transit operations	–	–	14,584	14,584
General and administrative	766	41,041	–	41,807
Total operating expenses	<u>2,118</u>	<u>41,193</u>	<u>17,611</u>	<u>60,922</u>
Operating income (loss)	<u>(1,259)</u>	<u>1,377</u>	<u>(12,892)</u>	<u>(12,774)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Intergovernmental	–	–	6,504	6,504
Investment earnings (losses)	–	(64)	8	(56)
Loss on disposal of capital assets	–	–	(4)	(4)
Total non-operating revenues (expenses)	<u>–</u>	<u>(64)</u>	<u>6,508</u>	<u>6,444</u>
Income (loss) before transfers and contributions	<u>(1,259)</u>	<u>1,313</u>	<u>(6,384)</u>	<u>(6,330)</u>
Capital contributions	1,204	–	661	1,865
Transfers in	<u>256</u>	<u>–</u>	<u>2,766</u>	<u>3,022</u>
Change in net position	201	1,313	(2,957)	(1,443)
Net position – January 1	<u>22,769</u>	<u>12,040</u>	<u>25,920</u>	<u>60,729</u>
Net position – December 31	<u>\$ 22,970</u>	<u>13,353</u>	<u>22,963</u>	<u>59,286</u>

**Other Enterprise Funds  
Combining Statement  
of Cash Flows  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Airport	Solid Waste	Transit	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 888	41,807	4,719	47,414
Cash payments to suppliers for goods and services	(231)	(40,398)	(15,257)	(55,886)
Cash payments to employees for services	(345)	(662)	(287)	(1,294)
Net cash flows provided/(required) by operating activities	<u>312</u>	<u>747</u>	<u>(10,825)</u>	<u>(9,766)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating grants	-	-	4,409	4,409
Transfers from other funds	256	-	2,766	3,022
Net cash provided by noncapital activities	<u>256</u>	<u>-</u>	<u>7,175</u>	<u>7,431</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital grants	-	-	661	661
Acquisition and construction of capital assets	(1,671)	(397)	(813)	(2,881)
Net cash (required) by capital and related financing activities	<u>(1,671)</u>	<u>(397)</u>	<u>(152)</u>	<u>(2,220)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from the sale of investments	-	18,123	-	18,123
Purchase of investments	-	(24,703)	(1,775)	(26,478)
Investment earnings	-	186	8	194
Net cash (required) by investing activities	<u>-</u>	<u>(6,394)</u>	<u>(1,767)</u>	<u>(8,161)</u>
Net (decrease) in cash and cash equivalents	(1,103)	(6,044)	(5,569)	(12,716)
Cash and cash equivalents at beginning of year	2,878	39,151	6,598	48,627
Cash and cash equivalents at end of year	<u>\$ 1,775</u>	<u>33,107</u>	<u>1,029</u>	<u>35,911</u>
<b>Reconciliation of operating income to net cash provided/(required) by operating activities:</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (1,259)	1,377	(12,892)	(12,774)
Adjustments to reconcile operating income to net cash provided/(required) by operating activities:				
Depreciation	1,352	152	3,027	4,531
<b>CHANGE IN ASSETS AND LIABILITIES:</b>				
Decrease in receivables	29	107	-	136
Increase (decrease) in payables	182	(5)	(954)	(777)
(Decrease) in unearned revenue	-	(870)	-	(870)
Increase (decrease) in other liabilities	8	(14)	(6)	(12)
Net cash provided/(required) by operating activities	<u>\$ 312</u>	<u>747</u>	<u>(10,825)</u>	<u>(9,766)</u>







• internal service funds

## Internal Service Funds

### **Group Self-Insurance Fund**

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

### **Risk Management Fund**

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

### **Fleet Management Fund**

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

### **Auto Liability Fund**

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

### **Administrative Support Fund**

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



**Internal Service Funds  
Combining Statement  
of Net Position  
December 31, 2013  
(in thousands of dollars)**

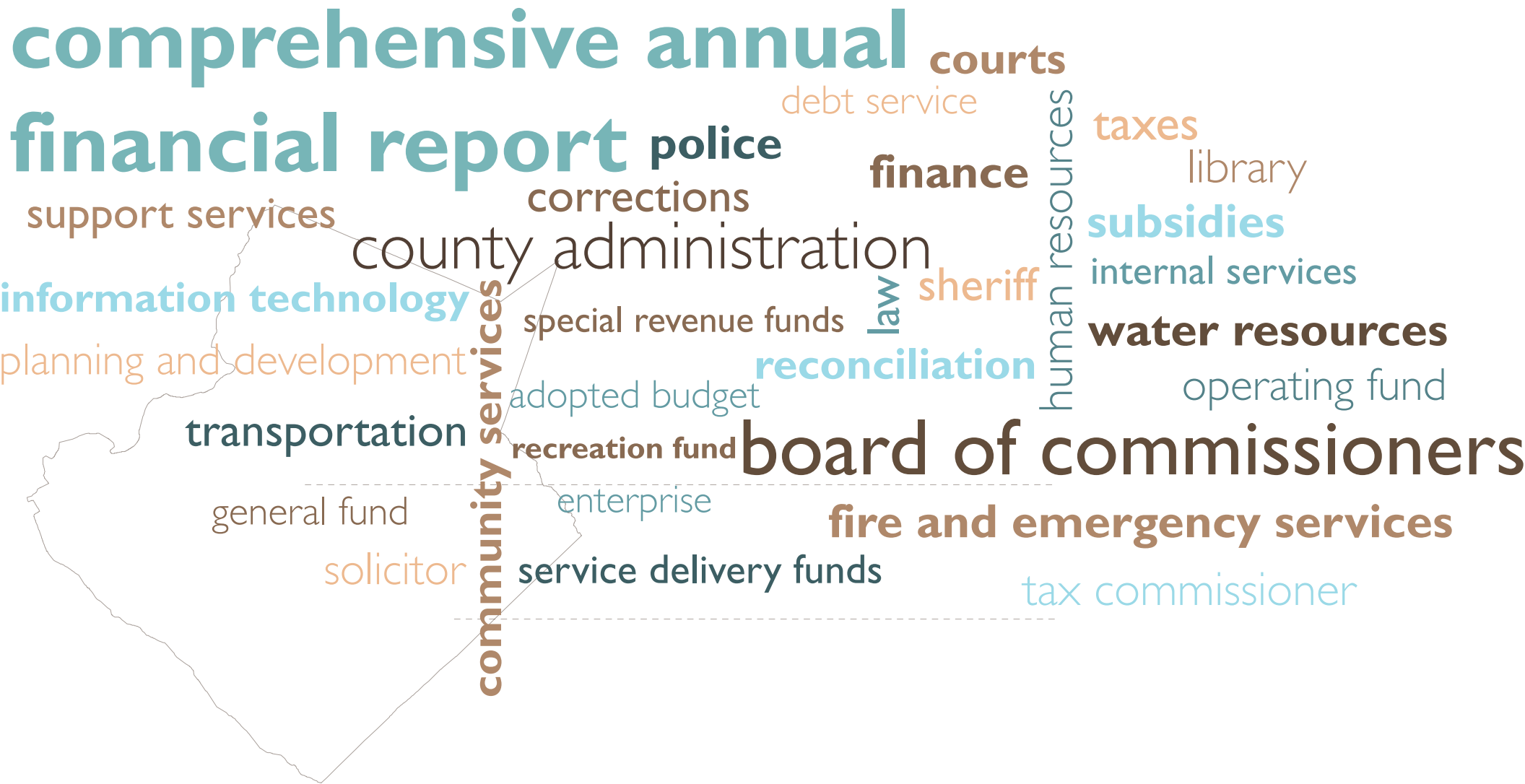
	Group Self- Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
<b>ASSETS:</b>						
Current assets:						
Cash and cash equivalents	\$ 21,279	20,860	1,579	2,493	12,019	58,230
Investments	1,000	2,500	–	–	–	3,500
Accounts receivable, net of allowance:	74	320	1,085	–	7	1,486
Inventories	–	–	680	–	–	680
Prepaid assets	–	–	–	–	4,029	4,029
Total current assets	22,353	23,680	3,344	2,493	16,055	67,925
Noncurrent assets:						
Investments	10,893	18,577	–	4	–	29,474
Construction in progress	–	–	–	–	400	400
Other capital assets, net of depreciation	–	–	27	–	136	163
Total noncurrent assets	10,893	18,577	27	4	536	30,037
Total assets	33,246	42,257	3,371	2,497	16,591	97,962
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	661	40	1,279	2	999	2,981
Payroll payable	13	6	74	–	769	862
Accumulated leave benefits – current	13	18	106	–	1,055	1,192
Estimated claims payable – current	1,241	2,164	–	57	–	3,462
Due to others	–	–	–	–	13	13
Total current liabilities	1,928	2,228	1,459	59	2,836	8,510
Accumulated leave benefits – noncurrent	9	24	58	–	756	847
Estimated claims payable – noncurrent	–	5,794	–	176	–	5,970
Total liabilities	1,937	8,046	1,517	235	3,592	15,327
<b>NET POSITION:</b>						
Net investment in capital assets	–	–	27	–	536	563
Unrestricted	31,309	34,211	1,827	2,262	12,463	82,072
Total net position	\$ 31,309	34,211	1,854	2,262	12,999	82,635

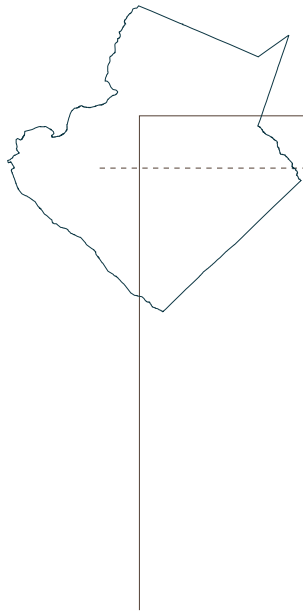
**Internal Service Funds  
Combining Statement of  
Revenues, Expenses, and  
Changes in Fund Net Position  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Group Self- Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
<b>OPERATING REVENUES:</b>						
Charges to other funds	\$ 38,333	7,686	5,985	1,000	49,720	102,724
Employee contributions	5,447	–	–	–	–	5,447
Miscellaneous	291	22	421	–	1,594	2,328
Total operating revenues	44,071	7,708	6,406	1,000	51,314	110,499
<b>OPERATING EXPENSES:</b>						
Vehicle maintenance and repair	–	–	3,779	–	–	3,779
Benefit claims	13,604	1,840	–	376	–	15,820
Insurance premiums	23,657	2,923	–	–	–	26,580
Depreciation and amortization	–	–	7	–	6	13
General and administrative	2,735	1,875	1,834	58	43,320	49,822
Total operating expenses	39,996	6,638	5,620	434	43,326	96,014
Operating income	4,075	1,070	786	566	7,988	14,485
<b>NON-OPERATING REVENUES:</b>						
Investment earnings (losses)	(6)	(37)	–	3	–	(40)
Total non-operating revenues	(6)	(37)	–	3	–	(40)
Income before transfers	4,069	1,033	786	569	7,988	14,445
Transfers in	25	2	–	–	850	877
Transfers out	–	–	(40)	–	(531)	(571)
Change in net position	4,094	1,035	746	569	8,307	14,751
Net position – January 1	27,215	33,176	1,108	1,693	4,692	67,884
Net position – December 31	\$ 31,309	34,211	1,854	2,262	12,999	82,635

**Internal Service Funds  
Combining Statement  
of Cash Flows  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Group Self- Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers	\$ 44,091	7,708	7,673	1,000	51,319	111,791
Cash payments to suppliers for goods and services	(3,466)	(1,513)	(3,544)	(82)	(15,717)	(24,322)
Cash payments to employees for services	(291)	(366)	(2,585)	–	(27,260)	(30,502)
Claims and premiums paid	(37,424)	(6,346)	–	(872)	–	(44,642)
Net cash flows provided/(required) by operating activities	2,910	(517)	1,544	46	8,342	12,325
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers from other funds	25	2	–	–	850	877
Transfers (to) other funds	–	–	(40)	–	(531)	(571)
Net cash provided/(required) by noncapital activities	25	2	(40)	–	319	306
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition and construction of capital assets	–	–	–	–	(526)	(526)
Net cash (required) by capital and related financing activities	–	–	–	–	(526)	(526)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Net change in investment pools	(4,503)	(9,620)	–	(4)	–	(14,127)
Investment earnings (losses)	110	(37)	–	3	–	76
Net cash (required) by investing activities	(4,393)	(9,657)	–	(1)	–	(14,051)
Net increase (decrease) in cash and cash equivalents	(1,458)	(10,172)	1,504	45	8,135	(1,946)
Cash and cash equivalents at beginning of year	22,737	31,032	75	2,448	3,884	60,176
Cash and cash equivalents at end of year	\$ 21,279	20,860	1,579	2,493	12,019	58,230
<b>Reconciliation of operating income to net cash provided/(required) by operating activities:</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Operating income	\$ 4,075	1,070	786	566	7,988	14,485
Adjustments to reconcile operating income to net cash provided/(required) by operating activities:						
Depreciation	–	–	7	–	6	13
<b>CHANGE IN ASSETS AND LIABILITIES:</b>						
Decrease in receivables	33	–	1,267	–	5	1,305
Decrease in inventories	–	–	64	–	–	64
Decrease in prepaids	–	–	–	–	63	63
(Decrease) in payables	(1,040)	(3)	(671)	(24)	(465)	(2,203)
Increase (decrease) in other liabilities	(158)	(1,584)	91	(496)	745	(1,402)
Net cash provided/(required) by operating activities	\$ 2,910	(517)	1,544	46	8,342	12,325





- fiduciary funds



## Fiduciary Funds

### Trust Funds

- **Defined Benefit Pension Plan**  
The County established the Gwinnett County Defined Benefit Plan as a single-employer, locally-governed plan for the benefit of its employees and other eligible individuals as provided for in the Plan Document.
- **Other Post-Employment Benefit (OPEB) Plan**  
The trust was established by the Board of Commissioners to pre-fund medical and prescription drug benefits for retirees and other former employees (and their eligible dependents) who are eligible for such benefits under existing County policy.

### Agency Funds

- **Tax Commissioner**  
To account for the collection of property taxes and motor vehicle tag and title fees, which are disbursed to various taxing units.
- **Clerk of Courts**  
To account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, fees, civil awards, etc., which are disbursed to other parties.
- **Recorder's Court**  
To account for the collection of various fines and forfeitures (mostly traffic violations), which are disbursed to other parties.
- **Sheriff**  
To account for the collection of cash bonds, fines, forfeitures, fifas, etc., which are disbursed to other parties.
- **Probate Court**  
To account for the collection of fees for firearms, licenses, certificates, marriage licenses, etc., which are disbursed to other parties.
- **Juvenile Court**  
To account for the collection of probation supervision fees, which are disbursed to other parties.
- **Corrections**  
To account for funds being held on inmate's behalf, which are disbursed to other parties on behalf of the inmate.



**Pension (and Other Employee Benefit) Trust Funds**  
**Combining Statement of Plan Net Position**  
**December 31, 2013**  
(in thousands of dollars)

	Defined Benefit	OPEB	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 26,568	1,797	28,365
Investments, at fair value:			
U.S. treasury bonds	48,823	6,352	55,175
Asset-backed securities	22,257	2,896	25,153
U.S. governmental agencies	61,444	7,994	69,438
Commercial mortgage-backed securities	14,153	1,841	15,994
Futures contracts	151	20	171
Corporate bonds	69,968	9,102	79,070
Collateralized mortgage obligations	5,399	702	6,101
Corporate equities	393,023	51,131	444,154
International government bonds	234	30	264
Non-U.S. corporate bonds	304	39	343
International equities	126,022	16,395	142,417
Mutual funds invested in equities	27,326	3,555	30,881
Preferred stock	939	122	1,061
Global fixed income	41,577	5,409	46,986
Taxable municipal bonds	817	107	924
Total investments	<u>812,437</u>	<u>105,695</u>	<u>918,132</u>
Securities lending collateral investment pool	52,527	6,833	59,360
Contributions receivable from employer	19,989	38	20,027
Prepaid assets	4,256	-	4,256
Total assets	<u>915,777</u>	<u>114,363</u>	<u>1,030,140</u>
<b>LIABILITIES:</b>			
Accounts payable	795	1,311	2,106
Liability for securities lending agreement	52,527	6,833	59,360
Total liabilities	<u>53,322</u>	<u>8,144</u>	<u>61,466</u>
Net position held in trust for pension and other employee benefits	<u>\$ 862,455</u>	<u>106,219</u>	<u>968,674</u>

**Pension (and Other Employee Benefit) Trust Funds**  
**Combining Statement of Changes in Plan Net Position**  
**Year Ended December 31, 2013**  
(in thousands of dollars)

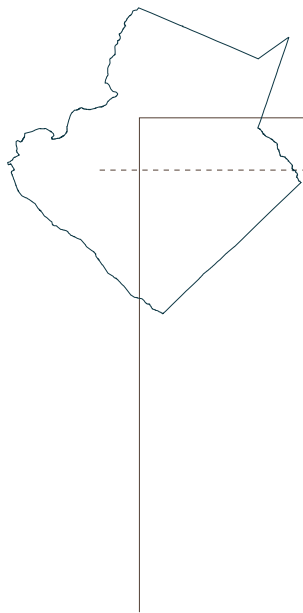
	Defined Benefit	OPEB	Total
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 57,281	11,313	68,594
Employee	7,892	4,486	12,378
Total contributions	<u>65,173</u>	<u>15,799</u>	<u>80,972</u>
Investment income:			
Net increase in the fair value of investments	112,000	14,267	126,267
Securities lending income	119	14	133
Interest and dividends	16,957	2,169	19,126
Total investment income	<u>129,076</u>	<u>16,450</u>	<u>145,526</u>
Investment expense			
Securities lending expense	(3,226)	(410)	(3,636)
Net investment income	<u>(13)</u>	<u>(1)</u>	<u>(14)</u>
Total additions	<u>191,010</u>	<u>31,838</u>	<u>222,848</u>
<b>DEDUCTIONS</b>			
Benefits paid	51,063	7,043	58,106
Insurance premiums	–	5,178	5,178
Administrative expenses	1,148	533	1,681
Total deductions	<u>52,211</u>	<u>12,754</u>	<u>64,965</u>
Change in net position	138,799	19,084	157,883
Net position held in trust for pension and other employee benefits:			
Beginning of year	<u>723,656</u>	<u>87,135</u>	<u>810,791</u>
End of year	<u>\$ 862,455</u>	<u>106,219</u>	<u>968,674</u>

**Agency Funds**  
**Combining Statement of**  
**Fiduciary Assets and Liabilities**  
**December 31, 2013**  
(in thousands of dollars)

	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Recorder's Court</u>	<u>Sheriff</u>	<u>Probate Court</u>	<u>Juvenile Court</u>	<u>Corrections</u>	<u>Total</u>
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 15,338	16,528	1,131	1,006	275	2	25	34,305
Taxes receivable	16,472	–	–	–	–	–	–	16,472
Total assets	\$ <u>31,810</u>	<u>16,528</u>	<u>1,131</u>	<u>1,006</u>	<u>275</u>	<u>2</u>	<u>25</u>	<u>50,777</u>
<b>LIABILITIES:</b>								
Due to others	\$ <u>31,810</u>	<u>16,528</u>	<u>1,131</u>	<u>1,006</u>	<u>275</u>	<u>2</u>	<u>25</u>	<u>50,777</u>
Total liabilities	\$ <u>31,810</u>	<u>16,528</u>	<u>1,131</u>	<u>1,006</u>	<u>275</u>	<u>2</u>	<u>25</u>	<u>50,777</u>

**Agency Funds  
Combining Statement of  
Changes in Fiduciary  
Assets and Liabilities  
Year Ended December 31, 2013  
(in thousands of dollars)**

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<b>TAX COMMISSIONER:</b>				
Cash and cash equivalents	\$ 10,255	635,466	630,383	15,338
Taxes receivable	24,146	727,157	734,831	16,472
Total	\$ 34,401	1,362,623	1,365,214	31,810
Due to others	\$ 34,401	1,362,623	1,365,214	31,810
<b>CLERK OF COURTS:</b>				
Cash and cash equivalents	\$ 23,921	64,766	72,159	16,528
Due to others	\$ 23,921	64,766	72,159	16,528
<b>RECORDER'S COURT:</b>				
Cash and cash equivalents	\$ 1,192	5,124	5,185	1,131
Due to others	\$ 1,192	5,124	5,185	1,131
<b>SHERIFF:</b>				
Cash and cash equivalents	\$ 1,232	16,788	17,014	1,006
Due to others	\$ 1,232	16,788	17,014	1,006
<b>PROBATE COURT:</b>				
Cash and cash equivalents	\$ 283	640	648	275
Due to others	\$ 283	640	648	275
<b>JUVENILE COURT:</b>				
Cash and cash equivalents	\$ 5	60	63	2
Due to others	\$ 5	60	63	2
<b>CORRECTIONS:</b>				
Cash and cash equivalents	\$ 29	278	282	25
Due to others	\$ 29	278	282	25
<b>TOTAL:</b>				
Cash and cash equivalents	\$ 36,917	723,122	725,734	34,305
Taxes receivable	24,146	727,157	734,831	16,472
Total	\$ 61,063	1,450,279	1,460,565	50,777
Due to others	\$ 61,063	1,450,279	1,460,565	50,777



• statistical section

## **Statistical Section (Unaudited)**

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

### **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time ..... S1 – S5

### **Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue source: property tax ..... S6 – S9

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future ..... S10 – S13

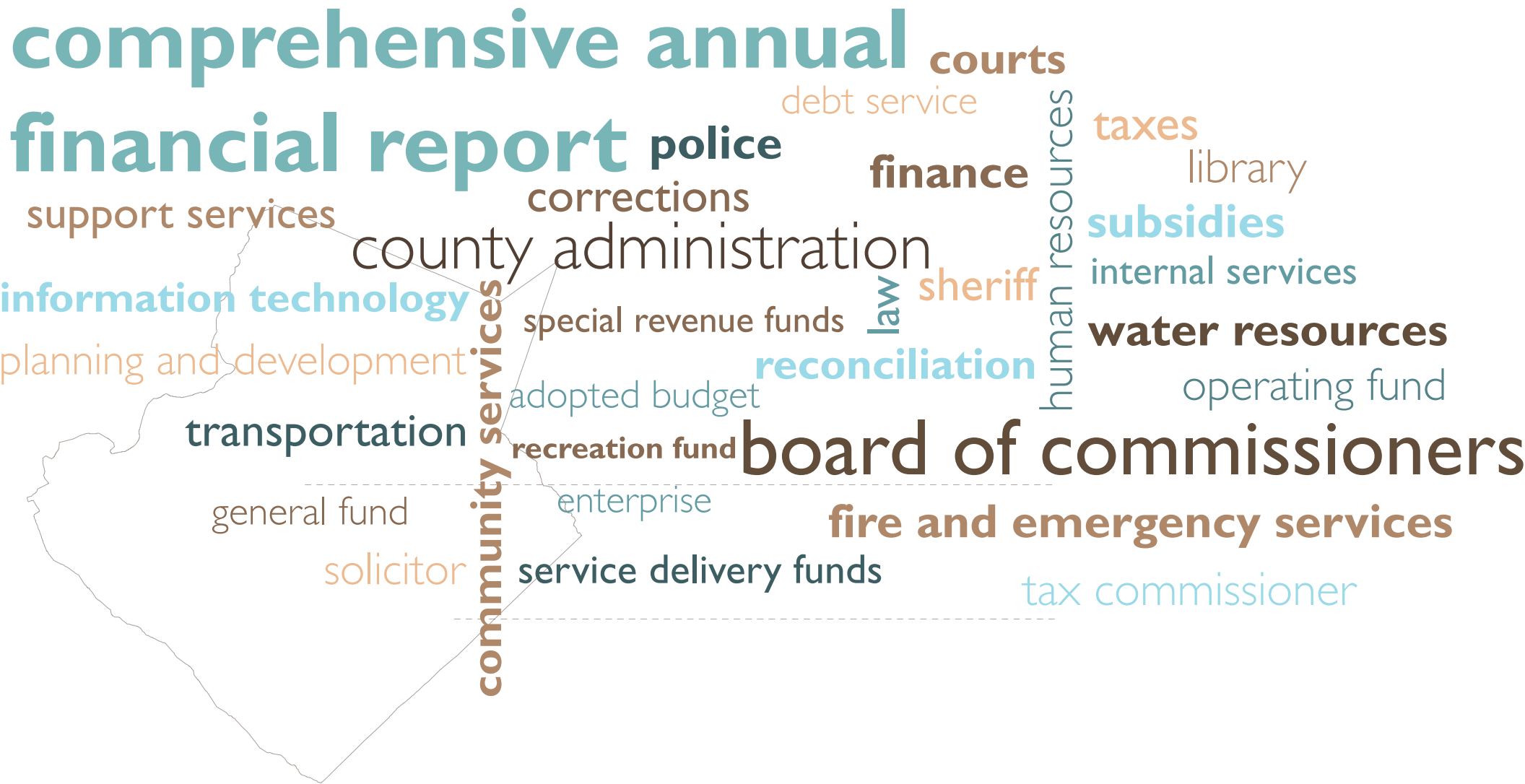
### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place ..... S14 – S15

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs ..... S16 – S18

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





## Net Position By Components – Last Ten Years (in thousands of dollars) (Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
Governmental activities										
Net investment in capital assets	\$ 1,293,946	1,398,909	1,580,183	1,822,598	1,989,757	2,141,050	2,220,825	2,277,439	2,320,301	2,348,661
Restricted	693,897	721,891	666,243	357,674	306,184	272,928	283,828	365,299	398,100	526,551
Unrestricted	219,465	225,746	238,235	470,710	451,245	489,312	522,661	491,493	510,907	478,218
Total governmental activities net position	2,207,308	2,346,546	2,484,661	2,650,982	2,747,186	2,903,290	3,027,314	3,134,231	3,229,308	3,353,430
Business-type activities										
Net investment in capital assets	1,970,986	2,155,024	2,257,189	2,517,483	2,574,614	2,594,387	2,591,610	2,592,634	2,614,293	2,664,664
Restricted	24,989	26,364	25,083	25,199	27,388	33,268	37,072	38,926	25,392	24,375
Unrestricted	132,682	154,556	202,403	60,611	57,866	80,364	137,219	190,964	235,397	221,920
Total business-type activities net position	2,128,657	2,335,944	2,484,675	2,603,293	2,659,868	2,708,019	2,765,901	2,822,524	2,875,082	2,910,959
Primary government										
Net investment in capital assets	3,264,932	3,553,933	3,837,372	4,340,081	4,564,371	4,735,437	4,812,435	4,870,073	4,934,594	5,013,325
Restricted	718,886	748,255	691,326	382,873	333,572	306,196	320,900	404,225	423,492	550,926
Unrestricted	352,147	380,302	440,638	531,321	509,111	569,676	659,880	682,457	746,304	700,138
Total primary government net position	\$ 4,335,965	4,682,490	4,969,336	5,254,275	5,407,054	5,611,309	5,793,215	5,956,755	6,104,390	6,264,389

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

**Changes in Net Position –  
Last Ten Years  
(in thousands of dollars)  
(Accrual Basis of  
Accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 60,789	65,846	72,728	74,921	77,529	77,808	96,653	97,991	57,690	47,960
Public safety	137,822	142,928	154,775	173,779	184,060	188,851	188,823	193,625	216,808	199,549
Judiciary	84,978	89,671	105,891	113,633	122,028	123,555	113,089	114,896	129,590	124,612
Public works	52,965	74,006	106,270	82,898	73,339	65,488	55,506	60,013	79,129	77,837
Health and welfare	11,328	7,495	7,408	12,640	12,861	12,336	11,528	11,762	7,081	7,634
Culture and recreation	39,166	44,069	54,967	57,032	68,260	67,369	69,493	69,252	67,090	68,905
Housing and development	16,845	17,244	15,004	18,247	20,596	20,971	25,374	18,098	18,908	18,851
Tourism	4,476	1,940	2,208	2,214	2,038	1,633	1,760	2,044	2,069	2,358
Development authority	2,169	2,182	2,251	2,580	2,843	4,853	6,675	4,367	4,947	4,881
Miscellaneous	3,536	4,676	–	–	–	–	–	–	–	–
Interest on long-term debt	3,794	2,397	2,128	4,263	5,983	1,111	2,661	2,659	1,921	442
<b>Total governmental activities</b>	<b>417,868</b>	<b>452,454</b>	<b>523,630</b>	<b>542,207</b>	<b>569,537</b>	<b>563,975</b>	<b>571,562</b>	<b>574,707</b>	<b>585,233</b>	<b>553,029</b>
Business-type activities:										
Water and sewer	144,853	156,557	172,985	197,612	201,974	200,687	209,840	213,048	236,249	261,693
Airport	1,490	1,716	1,940	2,103	1,912	2,000	1,811	2,359	1,150	2,106
Solid waste	524	347	425	489	2,573	1,427	20,910	40,438	39,210	41,847
Stormwater	20,959	22,617	24,728	25,455	29,466	28,268	28,032	31,804	27,126	30,375
Transit	11,391	13,719	12,375	14,184	15,749	15,606	15,533	18,235	18,486	17,912
<b>Total business-type activities</b>	<b>179,217</b>	<b>194,956</b>	<b>212,453</b>	<b>239,843</b>	<b>251,674</b>	<b>247,988</b>	<b>276,126</b>	<b>305,884</b>	<b>322,221</b>	<b>353,933</b>
<b>Total primary government expenses</b>	<b>\$ 597,085</b>	<b>647,410</b>	<b>736,083</b>	<b>782,050</b>	<b>821,211</b>	<b>811,963</b>	<b>847,688</b>	<b>880,591</b>	<b>907,454</b>	<b>906,962</b>
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 44,357	33,725	30,991	22,340	14,578	23,795	18,301	25,682	8,751	8,778
Public safety	15,706	18,502	21,158	22,940	35,699	29,147	23,093	25,586	32,902	31,987
Judiciary	24,007	22,912	24,744	27,145	29,111	28,541	31,174	30,193	32,087	31,770
Public works	126	5,837	5,974	6,084	5,992	6,196	6,256	6,279	6,387	6,914
Health and welfare	–	67	–	–	–	1	137	110	23	9
Culture and recreation	3,542	3,651	2,895	3,368	3,918	4,505	4,499	4,480	4,547	4,419
Housing and development	–	9,091	8,866	6,145	3,922	2,441	8,818	7,928	8,457	8,359
Operating grants and contributions	14,711	13,231	17,039	15,866	12,068	30,052	33,739	18,005	16,074	18,050
Capital grants and contributions	18,886	18,246	17,726	24,611	15,054	13,407	11,182	20,193	32,853	13,716
<b>Total governmental activities program revenues</b>	<b>121,335</b>	<b>125,262</b>	<b>129,393</b>	<b>128,499</b>	<b>120,342</b>	<b>138,085</b>	<b>137,199</b>	<b>138,456</b>	<b>142,081</b>	<b>124,002</b>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Water and sewer	164,700	178,105	185,505	202,960	189,959	208,805	240,966	260,226	271,289	277,234
Airport	739	626	628	858	850	832	827	866	903	859
Solid waste	724	–	–	–	1,340	1,113	20,740	41,131	41,929	42,570
Stormwater	1,080	991	8,694	16,045	25,095	30,326	29,973	30,494	30,863	30,887
Transit	1,874	2,551	3,505	3,035	4,337	4,319	4,274	5,011	4,845	4,719
Operating grants and contributions	–	–	2,506	4,212	5,270	4,896	5,740	6,605	5,946	6,504
Capital grants and contributions	138,547	191,836	124,225	113,894	68,179	33,811	18,616	17,571	14,209	22,389
Total business-type activities program revenues	307,664	374,109	325,063	341,004	295,030	284,102	321,136	361,904	369,984	385,162
Total primary government program revenues \$	428,999	499,371	454,456	469,503	415,372	422,187	458,335	500,360	512,065	509,164
Net (expense)/revenue										
Governmental activities	(296,533)	(327,192)	(394,237)	(413,708)	(449,195)	(425,890)	(434,363)	(436,251)	(443,152)	(429,027)
Business-type activities	128,447	179,153	112,610	101,161	43,356	36,114	45,010	56,020	47,763	31,229
Total primary government net expenses \$	(168,086)	(148,039)	(281,627)	(312,547)	(405,839)	(389,776)	(389,353)	(380,231)	(395,389)	(397,798)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	259,363	277,441	304,215	328,612	325,417	403,235	363,744	336,256	324,081	345,499
Sales taxes	131,831	140,972	155,941	152,528	138,756	122,714	128,594	134,752	142,571	138,351
Other taxes	37,639	39,576	40,239	56,215	55,249	51,971	54,363	64,284	64,063	62,822
Investment income	12,768	24,561	41,055	42,626	24,418	6,571	6,485	1,998	1,246	216
Miscellaneous	6,866	3,735	6,077	5,386	7,516	4,361	10,093	11,588	10,260	10,536
Transfers	(22,520)	(19,855)	(15,175)	(5,338)	(5,957)	(6,858)	(4,892)	(5,161)	(3,992)	(4,275)
Total governmental activities	425,947	466,430	532,352	580,029	545,399	581,994	558,387	543,717	538,229	553,149
Business-type activities:										
Investment income	2,782	5,694	13,642	7,426	2,466	189	346	1,044	803	373
Miscellaneous	1,929	2,585	7,304	4,693	684	4,990	7,634	–	–	–
Extraordinary item	–	–	–	–	4,112	–	–	–	–	–
Transfers	22,520	19,855	15,175	5,338	5,957	6,858	4,892	5,161	3,992	4,275
Total business-type activities	27,231	28,134	36,121	17,457	13,219	12,037	12,872	6,205	4,795	4,648
Total primary government	\$ 453,178	494,564	568,473	597,486	558,618	594,031	571,259	549,922	543,024	557,797
Changes in net position										
Governmental activities	129,414	139,238	138,115	166,321	96,204	156,104	124,024	107,466	95,077	124,122
Business-type activities	155,678	207,287	148,731	118,618	56,575	48,151	57,882	62,225	52,558	35,877
Total primary government	\$ 285,092	346,525	286,846	284,939	152,779	204,255	181,906	169,691	147,635	159,999

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

	2004	2005	2006	2007	2008	2009	2010
General fund							
Reserved	\$ 4,354	2,801	3,915	3,848	4,614	3,451	5,695
Unreserved	96,525	130,340	144,441	148,220	109,382	114,719	142,258
Total general fund	100,879	133,141	148,356	152,068	113,996	118,170	147,953
All other governmental funds							
Reserved	136,534	15,311	15,971	21,376	9,487	11,311	5,086
Unreserved, reported in:							
Special revenue funds	107,373	60,145	67,022	63,300	54,272	56,338	67,502
Capital project funds	478,856	576,961	502,020	397,465	365,607	293,259	307,259
Debt service funds	22,342	9,110	9,550	10,394	23,518	23,952	33,980
Parking deck project	–	–	–	6,000	6,192	1,135	220
Total all other governmental funds	745,105	661,527	594,563	498,535	459,076	385,995	414,047
Total	\$ 845,984	794,668	742,919	650,603	573,072	504,165	562,000
	2011*	2012	2013**				
General fund							
Nonspendable	\$ 7,204	2,232	1,499				
Assigned	–	42,636	743				
Unassigned	164,650	129,503	133,687				
Total general fund	171,854	174,371	135,929				
All other governmental funds							
Nonspendable	217	298	268				
Restricted	362,990	396,810	493,340				
Committed	60	62	114				
Assigned	75,493	78,719	87,515				
Total all other governmental funds	438,760	475,889	581,237				
Total	\$ 610,614	650,260	717,166				

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

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
Taxes	\$ 435,619	442,762	504,733	534,320	512,595	515,608	601,982	537,267	539,344	551,441
Permits and licenses	25,525	22,590	23,990	11,072	8,611	6,626	8,266	7,465	8,009	7,895
Intergovernmental	20,080	17,619	20,289	18,981	18,197	41,715	42,662	27,331	45,727	32,955
Charges for services	45,234	55,775	57,112	62,909	75,691	71,319	63,013	75,514	67,125	67,672
Fines and forfeitures	12,483	12,345	13,526	14,049	14,843	16,731	21,053	15,433	16,009	17,082
Investment income, earnings (losses)	11,684	22,716	38,354	40,214	22,401	6,216	6,072	4,936	3,348	(933)
Miscellaneous	6,866	6,261	7,022	7,759	9,764	7,190	12,007	12,450	10,189	10,536
Total revenues	557,491	580,068	665,026	689,304	662,102	665,405	755,055	680,396	689,751	686,648
<b>Expenditures:</b>										
General government	45,510	58,117	58,879	74,823	72,316	65,329	93,475	87,267	36,577	39,240
Public safety	130,889	138,885	145,864	160,829	171,716	179,492	176,088	175,397	196,917	187,750
Judiciary	80,716	92,058	105,055	110,023	117,798	121,894	120,098	116,534	129,630	127,275
Public works	19,424	20,056	21,988	22,866	22,958	21,489	19,360	20,007	21,256	20,926
Health and welfare	6,292	7,560	7,589	12,566	12,814	12,561	12,473	11,749	6,787	6,662
Culture and recreation	35,442	38,591	42,416	42,615	47,048	47,646	54,477	44,230	43,015	41,736
Housing and development	11,344	11,907	11,426	13,095	13,650	10,062	8,332	7,890	8,703	8,638
Miscellaneous	4,202	551	799	–	–	–	–	–	–	–
Tourism	2,000	1,940	2,208	2,214	2,038	1,633	1,760	2,044	2,069	2,358
Development authority	2,169	2,182	3,656	4,045	4,763	7,465	8,905	6,057	7,097	7,096
Grant programs	7,545	6,620	5,622	6,042	8,217	12,881	22,953	14,961	12,919	13,358
Capital outlay	146,382	219,291	282,219	311,565	283,161	223,577	138,448	130,741	141,153	112,100
Debt service:										
Principal	9,360	9,565	9,845	12,251	12,730	13,255	13,847	11,870	3,380	23,830
Interest	4,448	4,203	3,946	4,079	3,582	3,078	2,608	2,102	1,845	1,041
Issuance cost	–	–	–	–	–	–	–	–	253	–
Intergovernmental	–	–	–	–	–	19,816	19,313	22,041	35,895	24,569
Total expenditures	505,723	611,526	701,512	777,013	772,791	740,178	692,137	652,890	647,496	616,579
Excess (deficiency) of revenues over expenditures	51,768	(31,458)	(36,486)	(87,709)	(110,689)	(74,773)	62,918	27,506	42,255	70,069
<b>Other financing sources/(uses):</b>										
Transfer in	30,061	31,040	18,399	20,922	85,606	9,962	34,495	53,766	27,873	91,917
Transfer out	(52,581)	(50,895)	(33,662)	(25,529)	(89,333)	(12,813)	(39,578)	(32,658)	(30,781)	(95,080)
Proceeds from capital lease obligations	–	–	–	–	36,885	8,717	–	–	–	–
Refunding bonds issues	–	–	–	–	–	–	–	–	25,117	–
Payment to refunded bond escrow agent	–	–	–	–	–	–	–	–	(24,818)	–
Total other financing sources/(uses)	(22,520)	(19,855)	(15,263)	(4,607)	33,158	5,866	(5,083)	21,108	(2,609)	(3,163)
Net change in fund balances	\$ 29,248	(51,313)	(51,749)	(92,316)	(77,531)	(68,907)	57,835	48,614	39,646	66,906
Debt service as a percentage of noncapital expenditures	4.0%	3.6%	3.3%	3.5%	3.4%	3.4%	3.0%	2.7%	1.1%	5.0%

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

Fiscal Year Ended Dec. 31,	Real Property			Personal Property		Less: Tax Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Real Property	Motor Vehicle	Other*					
2004	14,445,717,520	5,856,853,840	657,607,367	1,960,787,080	2,969,656,260	4,184,612,558	21,706,009,509	11.47	54,265,023,773	40%
2005	15,476,738,817	6,136,046,299	675,505,950	1,935,290,900	3,177,314,281	4,258,466,874	23,142,429,373	11.47	57,856,073,433	40%
2006	17,138,866,772	6,912,104,174	636,083,282	1,894,747,650	3,364,490,860	4,773,455,867	25,172,836,871	11.30	62,932,092,178	40%
2007	19,110,676,313	7,620,660,544	711,286,124	2,100,293,790	3,553,418,546	5,521,193,379	27,575,141,938	11.08	68,937,854,845	40%
2008	20,154,776,093	8,232,413,573	724,878,956	2,203,612,510	3,685,145,915	5,647,694,750	29,353,132,297	10.97	73,382,830,743	40%
2009	19,601,892,754	8,007,858,323	727,273,050	2,244,806,130	3,704,242,078	5,285,098,686	29,000,973,649	13.25	72,502,434,123	40%
2010	17,636,924,358	7,328,942,258	737,159,776	1,947,193,360	3,363,021,476	4,365,881,271	26,647,359,957	13.25	66,618,399,893	40%
2011	16,141,004,129	6,740,985,809	230,889,940	2,014,195,700	3,775,921,060	3,916,558,267	24,986,438,371	13.02	62,466,095,928	40%
2012	14,858,737,855	6,546,141,287	225,585,016	2,024,864,660	3,983,958,784	3,767,877,476	23,871,410,126	13.02	59,678,525,315	40%
2013	14,215,494,500	6,457,814,268	151,416,160	2,200,695,020	4,107,670,330	3,512,324,663	23,620,765,615	13.75	59,051,914,038	40%

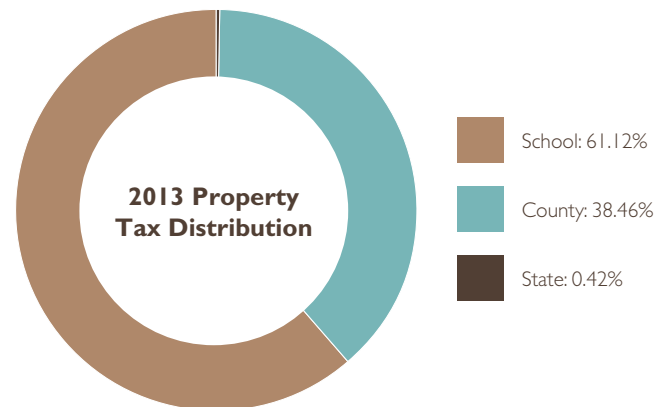
Source: General Fund information from Gwinnett County Budget Division and Gwinnett County Tax Commissioner

\* Includes mobile homes

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund	8.27	10.14	10.00	9.81	9.72	11.78	11.78	11.78	11.78	7.40
Fire and EMS District	–	–	–	–	–	–	–	–	–	3.20
Police Services District	–	–	–	–	–	–	–	–	–	1.60
Development and Enforcement District	–	–	–	–	–	–	–	–	–	0.36
Fire Protection	1.87	–	–	–	–	–	–	–	–	–
Recreation District	0.84	0.84	0.82	0.80	0.79	1.00	1.00	1.00	1.00	0.95
G.O. Bond Fund	0.24	0.24	0.23	0.23	0.22	0.23	0.23	–	–	–
G.O. Bond Fund II	0.25	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24
<b>Total County Tax</b>	<b>11.47</b>	<b>11.47</b>	<b>11.30</b>	<b>11.08</b>	<b>10.97</b>	<b>13.25</b>	<b>13.25</b>	<b>13.02</b>	<b>13.02</b>	<b>13.75</b>
School M & O	18.87	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.80
School Bonds	1.43	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	2.05
<b>Total School Tax</b>	<b>20.30</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>20.55</b>	<b>21.85</b>
State Government	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15
<b>Total Property Tax</b>	<b>32.02</b>	<b>32.27</b>	<b>32.10</b>	<b>31.88</b>	<b>31.77</b>	<b>34.05</b>	<b>34.05</b>	<b>33.82</b>	<b>33.77</b>	<b>35.75</b>

Source: Budget Division – Tax Levy Resolution



## Principal Property Tax Payers – Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value <sup>(1)</sup>	Rank	Percentage of Total Taxable Assessed Value <sup>(2)</sup>	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AT&T	\$ 201,921,220	1	0.85%	\$ 128,813,040	1	0.59%
Georgia Power	130,281,480	2	0.55%	77,011,362	2	0.35%
Publix	112,054,290	3	0.47%	—	—	—
Wal-Mart	92,975,900	4	0.39%	—	—	—
Mall of Georgia LLC	80,888,560	5	0.34%	68,168,700	3	0.31%
Cisco, formerly Scientific Atlanta Inc.	78,524,920	6	0.33%	37,640,600	6	0.17%
Jackson EMC	57,957,440	7	0.25%	57,410,084	4	0.26%
Atlanta Gas Light	42,813,160	8	0.18%	36,231,095	7	0.17%
Hewlett-Packard	40,318,860	9	0.17%	—	—	—
McKesson	40,076,600	10	0.17%	—	—	—
Sugarloaf Mills LTD Partnership				49,728,600	5	0.23%
Gwinnett Prado LP				35,856,540	8	0.17%
Merry Land & Investment Company, Inc.				34,658,740	9	0.16%
Southeast Office Partners LLC				31,721,080	10	0.15%

Sources: 1) Tax Assessor's Office.

2) The final tax digest dated 02/18/2013, which is the state certified digest updated with additional adjustments made during the year.



## Property Tax Levies and Collections – Last Ten Fiscal Years

Fiscal Year Ended Dec. 31,	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 638,766,763	\$ 623,423,054	97.4%	\$ 15,210,544	\$ 638,633,598	100.0%
2005	686,408,717	632,855,849	91.3%	53,448,738	686,304,587	100.0%
2006	754,007,958	712,381,318	91.7%	41,399,844	753,781,162	100.0%
2007	826,714,270	781,880,719	93.7%	44,545,996	826,426,714	100.0%
2008	876,157,678	819,605,181	92.7%	56,239,395	875,844,576	100.0%
2009	951,999,802	829,546,868	92.7%	121,790,720	951,337,587	99.9%
2010	866,434,629	810,612,693	93.2%	54,850,244	865,462,937	99.9%
2011	795,662,948	755,883,258	95.1%	37,580,030	793,463,288	99.7%
2012	749,971,274	722,927,859	96.4%	23,255,082	746,182,940	99.5%
2013	759,043,020	741,172,382	97.7%	–	741,172,382	97.7%

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

*Includes all rolls, tax only*

*No Street Lights, Speed Humps, Stormwater or Solid Waste*

*The 2009 levies include \$60.1 million of additional taxes billed in March 2010.*

## Ratios of Outstanding Debt by Type – Last Ten Fiscal Years (in thousands of dollars except Population and Net Bonded Debt Per Capita)

Fiscal Year Ended Dec. 31,	Population <sup>(1)</sup>	Governmental Activities				
		Gwinnett County General Obligation Debt				
		Gross General Obligation Bonds <sup>(2)</sup>	Percentage of Assessed Property Value <sup>(3)</sup>	Per Capita	Revenue Bonds <sup>(2)</sup>	Lease Payable <sup>(2)</sup>
2004	687,468	125,965	0.58%	183.23	12,725	65,000
2005	710,978	116,400	0.50%	163.72	10,915	65,000
2006	740,267	106,555	0.42%	143.94	8,990	63,595
2007	764,129	96,350	0.35%	126.09	6,945	62,130
2008	780,721	85,790	0.29%	109.89	4,775	97,095
2009	796,276	74,845	0.26%	93.99	2,465	103,200
2010	808,409	63,465	0.24%	78.51	–	96,420
2011	825,669	51,595	0.21%	62.49	–	94,730
2012	842,046	46,385	0.19%	55.09	–	92,580
2013	855,459	22,555	0.10%	26.37	–	90,365

Fiscal Year Ended Dec. 31,	Business-Type Activities		Lease Payable <sup>(2)</sup>	Total Primary Government	Percentage of Personal Income <sup>(4)</sup>	Per Capita
	Water & Sewer Bonds <sup>(2)</sup>	Notes Payable <sup>(2)</sup>				
2004	842,346	2,663	–	1,048,699	4.79%	1,525.45
2005	829,895	2,235	–	1,024,445	4.36%	1,440.90
2006	810,200	1,790	–	991,130	3.91%	1,338.88
2007	784,419	10,174	–	960,018	3.64%	1,256.36
2008	947,218	29,194	1,317	1,165,389	4.40%	1,492.71
2009	1,060,088	57,549	822	1,298,969	5.10%	1,631.30
2010	1,021,565	56,548	–	1,237,998	4.80%	1,531.40
2011	969,515	55,103	–	1,170,943	4.23%	1,418.17
2012	922,265	52,750	–	1,113,980	3.87%	1,322.94
2013	865,230	50,347	–	1,028,497	Not yet available	1,202.28

Sources:

- 1) U.S. Census Bureau midyear population estimates. Estimates for 2010-2012 reflect county population estimates available as of March 2013. 2013 population estimate from Moody's Analytics Forecast.
- 2) Debt information from CAFR Financial Statements and **Note 8** to the Financial Statements.
- 3) Total taxable assessed value used in this calculation obtained from the Gwinnett County Tax Commissioner.
- 4) Personal income data from the U.S. Bureau of Economic Analysis.

Note: Population and income data last updated November 21, 2013 - new estimates for 2012; revised estimates for 2004-2011.

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

	Fiscal Year Ended December 31,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 2,170,601	\$ 2,314,243	\$ 2,517,284	\$ 2,757,514	\$ 2,935,313	\$ 2,900,097	\$ 2,664,736	\$ 2,498,644	\$ 2,387,141	\$ 2,362,077
Total net debt applicable to limit	103,623	95,397	84,902	73,692	62,272	50,893	29,485	24,102	17,493	12,197
Legal debt margin	2,066,978	2,218,846	2,432,382	2,683,822	2,873,041	2,849,204	2,635,251	2,474,542	2,369,648	2,349,880
Total net debt applicable to the limit as a percentage of debt limit	4.8%	4.1%	3.4%	2.7%	2.2%	1.8%	1.1%	1.0%	0.7%	0.5%

### Legal debt margin calculation for fiscal year 2013

Assessed value	\$ 23,620,766
Debt limit (10%) of assessed value	2,362,077
Debt applicable to limit:	
General obligation bonds	22,555
Less: amount set aside for repayment of general obligation debt	10,358
Total net debt applicable to limit	12,197
Legal debt margin	\$ 2,349,880

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

Fiscal Year	Operating Revenue	Less: Operating Expenses <sup>(1)</sup>	Plus: Investment Income and Other <sup>(2)</sup>	Net Revenue Available	Debt Service			Coverage	Required Coverage
					Principal	Interest	Total		
2004	166,393	80,163	2,275	88,505	26,465	33,216	59,681	1.48	1.2
2005	179,567	84,381	4,573	99,759	27,710	30,859	58,569	1.70	1.2
2006	192,824	85,313	12,115	119,626	30,105	29,696	59,801	2.00	1.2
2007	206,450	94,813	6,158	117,795	30,845	29,925	60,770	1.94	1.2
2008	194,286	98,263	2,054	98,077	30,935	31,283	62,218	1.58	1.2
2009	213,484	97,020	127	116,591	28,970	36,829	65,799	1.77	1.2
2010	253,931	103,460	402	150,873	39,315	44,212	83,527	1.81	1.2
2011	261,893	106,328	542	156,107	45,305	40,029	85,334	1.83	1.2
2012	271,875	109,574	556	162,857	47,250	41,398	88,648	1.84	1.2
2013	277,234	111,531	355	166,058	57,035	39,357	96,392	1.72	1.2

Notes: 1) Operating expenses other than interest on debt, depreciation, and amortization.

2) Excludes gain or loss on capital assets.

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

Jurisdiction	Gross Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct debt:</b>			
General obligation bonds	\$ 22,555	100.00%	\$ 22,555
Deferred amounts for issuance premiums	1,807	100.00%	1,807
Lease payable	90,365	100.00%	90,365
Total direct debt	114,727		114,727
<b>Overlapping debt:</b>			
Gwinnett County School District:*			
General obligation bonds and notes	807,440	100.00%	807,440
Certificates of participation	217,605	100.00%	217,605
Capital lease	39,136	100.00%	39,136
Total Gwinnett County School District	1,064,181		1,064,181
Municipalities within Gwinnett County:**			
Auburn:			
Lease payable	102	3.07%	3
Note payable	724	3.07%	22
Total Auburn	826		25
Berkeley Lake:			
General obligation bond payable	5,683	100.00%	5,683
Braselton:			
Revenue bonds	8,903	40.25%	3,583
Buford:			
General obligation bonds	9,250	92.34%	8,541
Duluth:			
Leases payable	781	100.00%	781
Loganville:			
Notes and capital leases	286	24.26%	69
Snellville:			
Certificates of participation	4,290	100.00%	4,290
Capital leases	4,519	100.00%	4,519
Total Snellville	8,809		8,809
Suwanee:			
General obligation bonds	14,991	100.00%	14,991
Revenue bonds	5,367	100.00%	5,367
Total Suwanee	20,358		20,358
Total municipalities within Gwinnett County	54,896		47,849
Subtotal, overlapping debt	1,119,077		1,112,030
Total direct and overlapping Debt	\$ 1,233,804		\$ 1,226,757

\* Based upon the Gwinnett County Board of Education's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013.

\*\* Based upon individual city's audit information for fiscal year 2012.

## Demographic and Economic Statistics – Last Ten Fiscal Years

Year	Population <sup>(1)</sup>	Personal Income (amounts expressed in thousands) <sup>(2)</sup>	Per Capita Personal Income	Unemployment Rate <sup>(3)</sup>
2004	687,468	\$ 21,893,207	\$ 31,846	4.2%
2005	710,978	23,519,622	33,081	4.6%
2006	740,267	25,334,846	34,224	4.2%
2007	764,129	26,366,014	34,505	4.1%
2008	780,721	26,458,272	33,890	5.6%
2009	796,276	25,488,817	32,010	8.9%
2010	808,409	25,783,780	31,894	9.0%
2011	825,669	27,682,678	33,528	8.6%
2012	842,046	28,765,942	34,162	7.8%
2013	855,459	Not yet available	Not yet available	7.1%

Sources:

- 1) U.S. Census Bureau midyear population estimates. Estimates for 2010 – 2012 reflect county population estimates available as of March 2013. 2013 population estimate from Moody's Analytics Forecast.
- 2) Personal income data from the U.S. Bureau of Economic Analysis. Per capita personal income was calculated based on the U.S. Census Bureau's midyear population estimates. Estimates for 2010 – 2012 reflect county population estimates available as of March 2013.
- 3) Georgia Department of Labor (unemployment rates not seasonally adjusted).

*Note: Population and income data last updated November 21, 2013 – new estimates for 2012; revised estimates for 2004 – 2011.*

## Principal Employers – Current Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gwinnett County Public Schools	19,813	1	4.8%	17,697	1	4.8%
Gwinnett County Government*	4,825	2	1.2%	4,391	2	1.2%
Gwinnett Health Care System	3,568	3	0.9%	3,959	3	1.1%
Publix**	3,491	4	0.9%	2,847	5	0.8%
Wal-Mart**	2,780	5	0.7%	3,067	4	0.8%
State of Georgia (includes GGC)	2,552	6	0.6%	2,055	7	0.6%
Kroger**	2,162	7	0.5%	1,484	10	0.4%
U.S. Postal Service	2,151	8	0.5%	2,442	6	0.7%
NCR	1,650	9	0.4%			
Cisco, previously Scientific Atlanta	1,585	10	0.4%	1,548	9	0.4%
Primerica				1,650	8	0.5%

Sources: Gwinnett County Department of Financial Services, last updated Q1 2014. 2004 principal employers obtained from page S-30 of the 2004 Comprehensive Annual Financial Report. Total County Employment from the Georgia Department of Labor Workforce Statistics & Economic Research's Annual (Not Seasonally Adjusted) Labor Force data for 2013 and 2004.

\* Based on total authorized positions as of December 31, 2013 and December 31, 2004.

\*\* Full-time equivalent employees.

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

Function	Fiscal Year Ended December 31,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	558	571	575	571	569	538	556	538	555	567
Public safety:										
Police	857	927	951	1,013	1,048	1,041	1,066	1,068	1,065	1,065
Fire	654	674	713	757	766	784	844	844	844	844
Corrections	139	141	142	142	142	125	139	134	134	134
Sheriff	429	540	621	686	688	701	706	706	706	706
Judiciary	382	400	415	436	452	466	466	482	469	471
Transportation	178	179	179	181	181	156	148	149	145	143
Community services	218	230	241	251	270	229	245	242	242	240
Water resources	598	600	606	619	623	604	577	576	580	579
Planning and development	139	143	143	142	154	70	81	76	72	76
<b>Total</b>	<b>4,152</b>	<b>4,405</b>	<b>4,586</b>	<b>4,798</b>	<b>4,893</b>	<b>4,714</b>	<b>4,828</b>	<b>4,815</b>	<b>4,812</b>	<b>4,825</b>

Source: Department of Financial Services, Budget Group



## Operating Indicators By Function – Last Ten Fiscal Years

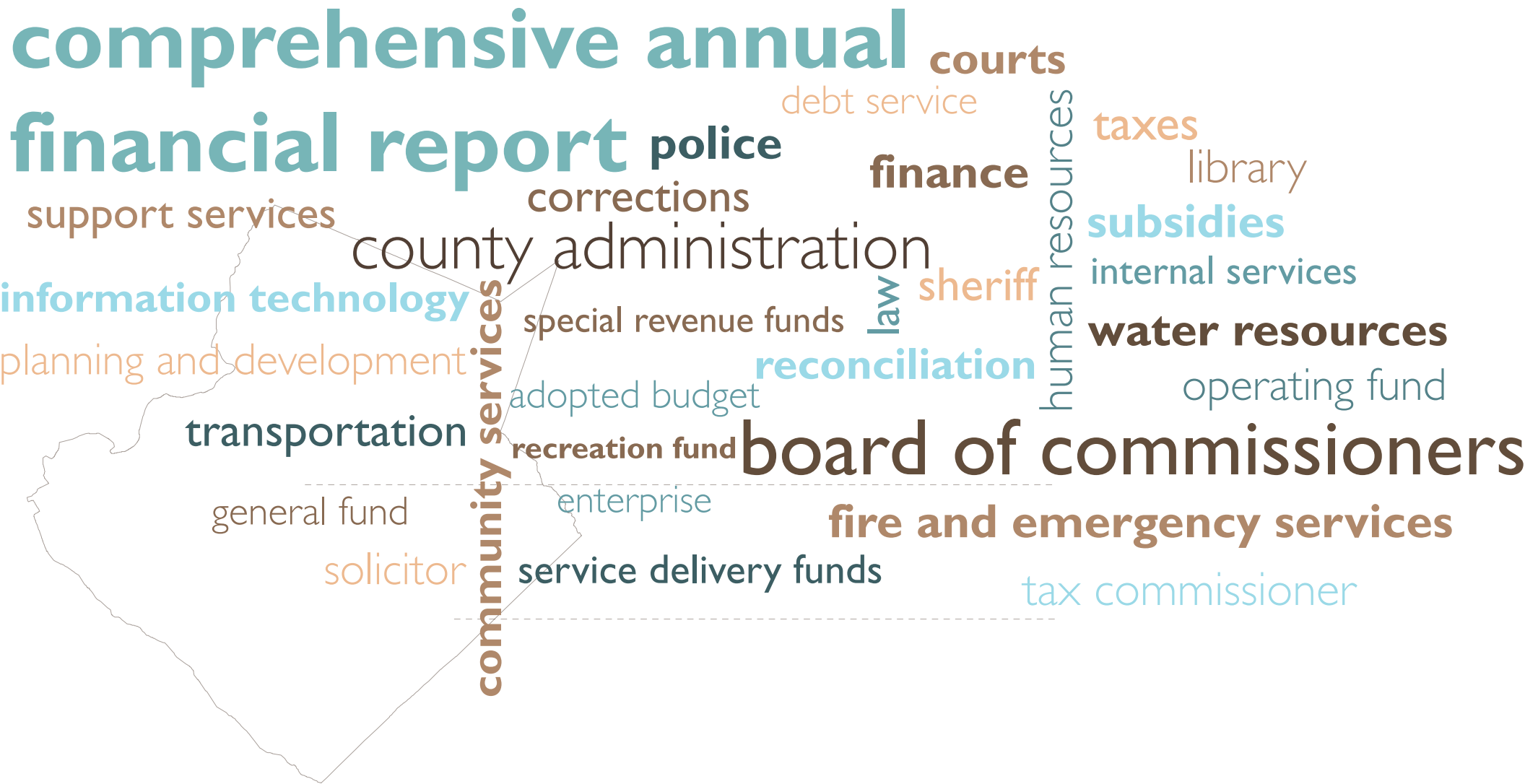
Function	Fiscal Year Ended December 31,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
General calls	359,362	373,813	360,690	466,762	532,440	528,813	498,703	451,551	441,408	419,381
Traffic calls	159,754	140,657	149,291	184,076	192,095	211,345	203,910	207,904	205,281	184,644
Officers/1,000 population	0.85	0.86	0.99	1.06	1.07	1.00	1.03	1.00	0.97	0.97
Fire										
Calls answered	47,343	56,377	61,886	64,541	63,655	65,722	62,995	64,450	66,757	66,831
Inspections	12,480	12,355	12,406	10,017	13,835	16,612	11,375	14,063	11,833	13,448
Transportation										
Street resurfacing (miles)	113	115	110	85	60	105	90	80	130	135
Parks and recreation										
Classes/programs/camps/events	4,692	4,803	4,643	5,616	6,259	6,660	6,581	6,047	6,313	6,651
Number of facility & pavilion rentals	2,842	3,801	4,457	6,073	9,268	24,122	14,283	11,298	11,781	10,385
Number of pool admissions & passes	394,596	415,242	400,014	445,000	586,009	570,090	522,322	575,000	541,000	418,310
Number of senior citizens one-way passenger trips	37,967	32,374	38,232	39,687	39,472	30,456	35,543	32,424	36,173	28,723
Water										
Plant capacity (mgd)	225	225	225	225	225	225	225	225	225	225
Average daily consumption (mgd)	82.6	80.7	87.4	86.9	71.9	71.3	74.7	74.4	71.7	63.9
Maximum daily pumpage (mgd)	112.8	113.3	129.8	126.3	87.9	103.1	99.8	101.4	113.1	80.6
Water meters installed	8,707	8,773	7,290	4,705	1,557	620	977	946	1,417	2,560
Miles of water mains installed	65	94	94	81	45	18	6	17	18	25
Number of customers	211,723	220,856	230,752	234,447	233,675	228,807	227,356	228,223	230,652	229,126
Sewer										
Average annual daily flow (mgd)	51	52	51	49	50	53	53	50	49	53
Number of customers	128,121	135,311	138,284	141,807	146,267	146,276	147,637	148,714	150,951	156,358
Miles of sewer mains installed	125	159	111	116	46	23	7	11	5	37
Transit										
Total passengers	1,571,434	1,858,670	1,917,854	1,937,832	2,103,565	2,319,495	2,117,106	2,264,769	2,026,533	1,823,384

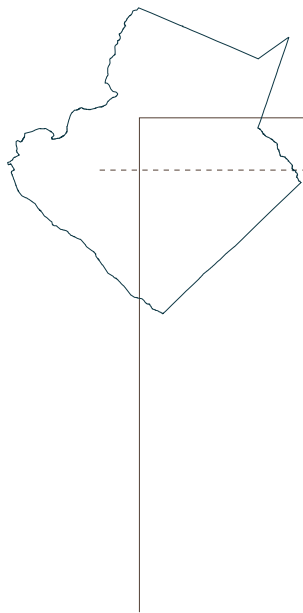
Source: County operating departments

## Capital Asset Statistics By Function – Last Ten Years

Function	Fiscal Year Ended December 31,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police precincts/stations	9	10	10	12	12	12	11	11	11	11
Fire stations	24	25	26	27	28	28	30	30	30	30
Transportation										
Miles county maintained roads	2,464	2,650	2,700	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Streetlights maintained	41,953	45,000	46,421	47,637	48,161	48,643	48,774	48,539	48,697	48,607
Traffic signals maintained	590	610	612	626	643	653	666	675	685	695
Parks and recreation										
Acreage total	7,781	8,062	8,247	8,602	8,695	8,849	8,988	8,992	8,978	9,282
Competition and leisure/play pools	11	11	12	14	17	17	17	17	17	17
Sports fields	122	124	135	139	149	150	150	150	154	170
Tennis courts	35	39	41	43	47	51	51	51	51	51
Playgrounds	32	35	36	42	47	52	52	61	63	67
Libraries	11	12	14	14	14	14	15	15	15	15
Library circulation	6,172,537	6,376,188	6,158,664	6,491,745	7,102,215	7,526,750	7,038,931	7,667,758	7,190,798	6,744,005
Water										
Miles of water mains	3,121	3,215	3,300	3,346	3,399	3,408	3,411	3,665	3,667	3,692
Fire hydrants	35,515	37,484	38,916	40,038	40,614	40,805	40,877	41,642	41,749	42,258
Raw water storage (mgd)	45	45	45	45	45	45	45	45	45	45
Sewer										
Miles of sewer mains	2,210	2,368	2,480	2,595	2,640	2,663	2,670	2,650	2,654	2,691
Treatment capacity (mgd)	64.1	64.1	71.6	71.6	71.6	67.1	102.6	103.0	100.5	100.5
Stormwater										
Miles of pipe	—	—	810	1,096	1,296	1,307	1,317	1,327	1,292	1,364
Transit buses	63	63	67	67	76	85	96	96	98	98

Source: County operating departments





• single audit section







## **Single Audit Section** **December 31, 2013**

### **Index**

Schedule of Expenditures of Federal, State, and Local Awards..... SA-4

Notes to Schedule of Expenditures of Federal, State, and Local Awards..... SA-18

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..... SA-19

Independent Auditor’s Report on Compliance for Each Major Federal Program  
and Report on Internal Control Over Compliance Required by OMB Circular A-133..... SA-21

Schedule of Findings and Questioned Costs..... SA-23

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2013

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
<b>U.S. Department of Housing and Urban Development</b>					
Community Development Block Grants Cluster	14.218	CDBG-2007	B-07-UC-13-0004	1/1/07	12/31/13
Community Development Block Grants Cluster	14.218	CDBG-2008	B-08-UC-13-0004	1/1/08	12/31/13
Community Development Block Grants Cluster	14.218	CDBG-2009	B-09-UC-13-0004	1/1/09	12/31/13
Community Development Block Grants Cluster	14.218	CDBG-2010	B-10-UC-13-0004	10/1/09	12/31/15
Community Development Block Grants Cluster	14.218	CDBG-2011	B-11-UC-13-0004	1/1/10	12/31/15
Community Development Block Grants Cluster	14.218	CDBG-2012	B-12-UC-13-0004	1/1/12	12/31/17
Community Development Block Grants Cluster	14.218	CDBG-2013	B-13-UC-13-0004	1/1/13	12/31/18
Community Development Block Grants Cluster	14.218	NSP HUD 2008 REVISED	B-08-UN-13-0005	11/18/08	9/30/14
Community Development Block Grants Cluster	14.218	NSP3 HUD 2011	B-11-UN-13-0005	3/15/11	3/4/14
<b>SUBTOTAL – Community Development Block Grants Cluster</b>					
Community Development Block Grants/State's Program	14.228	NSP DCA-2008	08-NS-5063	11/18/08	9/5/14
Community Development Block Grants/State's Program	14.228	NSP3 DCA 2011	11-NS-6004	9/28/11	9/5/14
<b>SUBTOTAL</b>					
Emergency Shelter Grant Program	14.231	ES-2011	S-11-UC-13-0011	1/1/11	1/31/14
Emergency Solutions Grant Program	14.231	ES-2012	S-12-UC-13-0011	1/1/12	4/30/14
Emergency Solutions Grant Program	14.231	ES-2013	S-13-UC-13-0011	1/1/13	12/31/14
<b>SUBTOTAL</b>					
HOME Investment Partnerships Program	14.239	HOME-2007	M-07-UC-13-0201	1/1/07	12/31/13
HOME Investment Partnerships Program	14.239	HOME-2008	M-08-UC-13-0201	1/1/08	12/31/13
HOME Investment Partnerships Program	14.239	HOME-2009	M-09-UC-13-0201	1/1/09	12/31/14
HOME Investment Partnerships Program	14.239	HOME-2010	M-10-UC-13-0201	1/1/10	12/31/15
HOME Investment Partnerships Program	14.239	HOME-2011	M-11-UC-13-0201	1/1/11	12/31/16
HOME Investment Partnerships Program	14.239	HOME-2012	M-12-UC-13-0201	1/1/12	12/31/17
HOME Investment Partnerships Program	14.239	HOME-2013	M-013-UC-13-0201	1/1/13	12/31/18
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					



Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Housing and Urban Development		\$4,225,356	\$1,250	\$1,250				
U.S. Department of Housing and Urban Development		\$4,126,332	\$353,225	\$331,700				
U.S. Department of Housing and Urban Development		\$4,205,640	\$360,384	\$300,000				
U.S. Department of Housing and Urban Development		\$4,561,860	\$671,786	\$210,519				
U.S. Department of Housing and Urban Development		\$3,828,221	\$1,483,492	\$730,145				
U.S. Department of Housing and Urban Development		\$4,318,785	\$2,804,441	\$2,780,385			\$1,120	\$1,120
U.S. Department of Housing and Urban Development		\$4,888,570	\$1,074,403	\$874,997				\$14,374
U.S. Department of Housing and Urban Development		\$10,507,827	\$65,581				\$1,341,702	\$313,729
U.S. Department of Housing and Urban Development		\$2,065,581	-\$16,663	\$91,068			\$947,891	\$852,426
			<b>\$6,797,899</b>	<b>\$5,320,064</b>			<b>\$2,290,713</b>	<b>\$1,181,649</b>
U.S. Department of Housing and Urban Development	Georgia Department of Community Affairs	\$3,004,227	\$160,723				\$804,922	\$430,984
U.S. Department of Housing and Urban Development	Georgia Department of Community Affairs	\$3,493,895	\$49,623	\$845,631			\$1,125,391	\$1,255,104
			<b>\$210,346</b>	<b>\$845,631</b>			<b>\$1,930,313</b>	<b>\$1,686,088</b>
U.S. Department of Housing and Urban Development		\$184,820	\$83,220	\$83,220				
U.S. Department of Housing and Urban Development		\$331,514	\$277,208	\$279,861				
U.S. Department of Housing and Urban Development		\$315,068	\$85,887	\$81,344				
			<b>\$446,315</b>	<b>\$444,425</b>				
U.S. Department of Housing and Urban Development		\$4,225,356	\$5,514	\$5,514				
U.S. Department of Housing and Urban Development		\$1,443,535	\$2,500	\$193,732				\$1,200
U.S. Department of Housing and Urban Development		\$1,588,261	\$151,923	\$287,436				
U.S. Department of Housing and Urban Development		\$1,584,502	\$292,193	\$294,796				
U.S. Department of Housing and Urban Development		\$1,390,424	\$401,182	\$446,263			\$3,401	
U.S. Department of Housing and Urban Development		\$1,273,305	\$209,891	\$202,445			\$16,992	
U.S. Department of Housing and Urban Development		\$1,364,350					\$39,992	\$57,767
			<b>\$1,063,203</b>	<b>\$1,430,186</b>			<b>\$60,385</b>	<b>\$58,967</b>
			<b>\$8,517,763</b>	<b>\$8,040,306</b>			<b>\$4,281,411</b>	<b>\$2,926,704</b>

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2013 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
<b>U.S. Department of Justice</b>					
Crime Victim Assistance	16.575	CJCC-12(VOCA)	C12-8-066	10/1/12	9/30/13
Crime Victim Assistance	16.575	PACGA-13(VOCA)	C13-8-048	10/1/13	9/30/14
<b>SUBTOTAL</b>					
State Criminal Alien Assistance Program	16.606	DOJ-10(SCAAP)	2010-AP-BX-0404	11/16/10	12/31/13
State Criminal Alien Assistance Program	16.606	DOJ-11(SCAAP)	2011-AP-BX-0215	12/13/11	12/31/14
State Criminal Alien Assistance Program	16.606	DOJ-12(SCAAP)	2012-AP-BX-0755	12/11/12	12/31/14
State Criminal Alien Assistance Program	16.606	DOJ-13(SCAAP)	2013-AP-BX-0742	10/3/13	12/31/14
<b>SUBTOTAL</b>					
Bulletproof Vest Partnership Program	16.607	DOJ-12(BVP)	2012-BO-BX-12062975	2/5/13	8/31/14
<b>SUBTOTAL</b>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-10(JAG)	2010-DJ-BX-1661	10/1/09	9/30/13
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-11(JAG)	2011-DJ-BX-3406	10/1/10	9/30/14
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	ARRA-DOJ-09(JAG)	2009-SB-B9-0775	3/1/09	2/28/13
<b>SUBTOTAL – Justice Assistance Grant Program Cluster</b>					
Equitable Sharing Program	16.922	Police-21090001/Sheriff-27080001/ DA-32000004	N/A	N/A	N/A
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>					
<b>U.S. Department of Labor</b>					
WIA Adult Program	17.258	WIA-2010	WD1118	7/1/10	6/30/13
WIA Adult Program	17.258	WIA-2013	WD1417	7/1/13	6/30/14
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>					

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Justice	Criminal Justice Coordinating Council	\$45,703	\$32,917	\$18,111			\$8,229	\$6,149
U.S. Department of Justice	Prosecuting Attorneys' Council	\$45,703	\$11,802	\$11,560			\$2,951	\$5,277
			<b>\$44,719</b>	<b>\$29,671</b>			<b>\$11,180</b>	<b>\$11,426</b>
U.S. Department of Justice		\$139,048	\$3,989					
U.S. Department of Justice		\$190,963	\$28,272					
U.S. Department of Justice		\$101,242	\$77,197	\$101,242				
U.S. Department of Justice		\$99,451	\$13	\$99,451				
			<b>\$109,471</b>	<b>\$200,693</b>				
U.S. Department of Justice		\$5,942	\$4,704	\$3,360				
			<b>\$4,704</b>	<b>\$3,360</b>				
U.S. Department of Justice		\$251,598	\$180,602	\$182,102				
U.S. Department of Justice		\$205,459	\$23,365	\$23,365				
U.S. Department of Justice		\$1,065,466	\$58,066	\$72,946				
			<b>\$262,033</b>	<b>\$278,413</b>				
U.S. Department of Justice		N/A	\$805,342					
			<b>\$805,342</b>					
			<b>\$1,226,269</b>	<b>\$512,137</b>			<b>\$11,180</b>	<b>\$11,426</b>
U.S. Department of Labor	Atlanta Regional Commission	\$343,808	\$55,041	\$58,165				
U.S. Department of Labor	Atlanta Regional Commission	\$116,000	\$58,597	\$55,080				
			<b>\$113,638</b>	<b>\$113,245</b>				
			<b>\$113,638</b>	<b>\$113,245</b>				

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2013 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
<b>U.S. Department of Transportation</b>					
Airport Improvement Program	20.106	GADOT 13-AP(135)	AP013-9021-29(135)	5/21/13	8/31/15
<b>SUBTOTAL</b>					
Highway Planning and Construction	20.205	GADOT 00(430)	MSL00-0004-00(430)	12/1/10	12/1/15
Highway Planning and Construction	20.205	GADOT 00(430)-CST	MSL00-0004-00(430)	3/27/13	3/27/17
Highway Planning and Construction	20.205	GADOT 01(063)	BRST0-0054-01(063)	1/18/11	1/18/15
Highway Planning and Construction	20.205	GADOT 06-(985)	CSSTP-0006-00(985)	1/1/11	12/19/13
Highway Planning and Construction	20.205	GADOT 06-588	CSTEE-0006-00(588)	7/5/12	1/31/14
Highway Planning and Construction	20.205	GADOT 06-837	CSTEE-0006-00(837)	7/17/12	5/31/14
Highway Planning and Construction	20.205	GADOT 07-617	CSTEE-0007-00(617)	7/17/12	5/31/14
Highway Planning and Construction	20.205	GADOT 08(075)	CSTEE-0009-00(075)	12/23/08	1/31/14
Highway Planning and Construction	20.205	GADOT 09(072)	CSTEE-0009-00(072)	10/4/11	12/31/14
Highway Planning and Construction	20.205	GADOT 09(073)	CSTEE-0009-00(073)	10/4/11	12/31/14
Highway Planning and Construction	20.205	GADOT 10(195)	STP00-000E-00(195)	5/18/10	8/28/13
Highway Planning and Construction	20.205	GADOT HPP 06(698)	CSMSL-0006-00(698)	2/7/12	8/30/13
Highway Planning and Construction	20.205	GADOT HPP 2010(033)	CSHPP-0008-00(033)	7/20/10	11/30/13
Recreational Trails Program	20.219	GADNR-09(LIONS CLUB)	NRT-08(10)	11/3/09	9/3/13
<b>SUBTOTAL – Highway Planning and Construction Cluster</b>					
Federal Transit-Metropolitan Planning	20.505	FTA-006	GA-39-0006-00	12/31/10	12/31/13
<b>SUBTOTAL</b>					
Federal Transit-Formula Grant-Recovery Act	20.507	ARRA-FTA-004	GA-96-X004-00	7/13/09	6/30/14
Federal Transit-Formula Grant	20.507	FTA-192	GA-90-X192-00	9/18/03	1/1/14
Federal Transit-Formula Grant	20.507	FTA-192 (OPERATING)	GA-90-X192-00	9/18/03	6/30/13
Federal Transit-Formula Grant	20.507	FTA-2010 (OPERATING)	GA-90-X287-00	6/15/10	9/15/13
Federal Transit-Formula Grant	20.507	FTA-203	GA-90-X203-01	1/1/05	9/30/14
Federal Transit-Formula Grant	20.507	FTA-218 (OPERATING)	GA-90-X218-00	9/6/05	8/31/14
Federal Transit-Formula Grant	20.507	FTA-231	GA-90-X231-00	9/12/06	9/30/14
Federal Transit-Formula Grant	20.507	FTA-251	GA-90-X251-00	9/26/07	12/31/13
Federal Transit-Formula Grant	20.507	FTA-275	GA-90-X275-00	1/22/09	12/31/14
Federal Transit-Formula Grant	20.507	FTA-315 (OPERATING)	GA-90-X315-00	8/9/12	12/31/16
Federal Transit-Formula Grant	20.507	GRTA-2005	N/A	9/1/05	1/16/14
Federal Transit-Formula Grant	20.507	GRTA-2013	N/A	7/1/13	6/30/16
<b>SUBTOTAL</b>					

# Comprehensive Annual Financial Report **2013**

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Transportation	Georgia Department of Transportation	\$1,482,445	\$1,258,010	\$1,140,709	\$69,890	\$63,373		
			<b>\$1,258,010</b>	<b>\$1,140,709</b>	<b>\$69,890</b>	<b>\$63,373</b>		
U.S. Department of Transportation	Georgia Department of Transportation	\$36,890,000	\$1,348,368	\$4,891,301				
U.S. Department of Transportation	Georgia Department of Transportation	\$33,771,191	\$4,468,447	\$2,398,381				
U.S. Department of Transportation	Georgia Department of Transportation	\$2,300,000	\$49,225	\$932,439				
U.S. Department of Transportation	Georgia Department of Transportation	\$1,099,564	\$45,870	\$91,786				
U.S. Department of Transportation	Georgia Department of Transportation	\$1,000,000	\$243,300	\$218,970				
U.S. Department of Transportation	Georgia Department of Transportation	\$786,982	\$329,066	\$310,713				
U.S. Department of Transportation	Georgia Department of Transportation	\$269,970	\$86,839	\$82,497				
U.S. Department of Transportation	Georgia Department of Transportation	\$471,000					\$33,837	\$52,691
U.S. Department of Transportation	Georgia Department of Transportation	\$350,000	\$14,288	\$13,574				
U.S. Department of Transportation	Georgia Department of Transportation	\$350,000	\$4,425	\$4,203				
U.S. Department of Transportation	Georgia Department of Transportation	\$790,400	\$4,833	\$40,694				
U.S. Department of Transportation	Georgia Department of Transportation	\$400,000	\$271,510	\$257,935				
U.S. Department of Transportation	Georgia Department of Transportation	\$449,950	-\$3					
U.S. Department of Transportation	Georgia Department of Natural Resources	\$100,000	\$100,000	\$100,000				
			<b>\$6,966,168</b>	<b>\$9,342,493</b>			<b>\$33,837</b>	<b>\$52,691</b>
U.S. Department of Transportation	Federal Transit Administration	\$600,000	\$15,421	\$38,586				
			<b>\$15,421</b>	<b>\$38,586</b>				
U.S. Department of Transportation	Federal Transit Administration	\$9,444,886	\$2,783,895	\$2,738,119				
U.S. Department of Transportation	Federal Transit Administration	\$270,319	\$11,828	\$11,237				
U.S. Department of Transportation	Federal Transit Administration	\$1,938,053	\$34,705	\$34,705				
U.S. Department of Transportation	Federal Transit Administration	\$3,843,313	\$652,812	\$656,173				
U.S. Department of Transportation	Federal Transit Administration	\$123,808	\$23,800	\$22,610				
U.S. Department of Transportation	Federal Transit Administration	\$1,165,373	\$4,670	\$4,670				
U.S. Department of Transportation	Federal Transit Administration	\$1,996,926	\$38,503	\$38,503				
U.S. Department of Transportation	Federal Transit Administration	\$2,188,700	\$112,676	\$109,641				
U.S. Department of Transportation	Federal Transit Administration	\$9,971,565	\$480,497	\$478,945				
U.S. Department of Transportation	Federal Transit Administration	\$9,504,000	\$3,610,202	\$3,578,648				
U.S. Department of Transportation	GA Regional Transportation Agency	\$15,313,343	\$247,567	\$424,193	\$526,079	\$513,616	\$551,957	\$551,957
U.S. Department of Transportation	GA Regional Transportation Agency	\$6,358,111	\$391,612	\$332,977	\$832,176	\$707,577	\$175,246	\$175,246
			<b>\$8,392,767</b>	<b>\$8,430,421</b>	<b>\$1,358,255</b>	<b>\$1,221,193</b>	<b>\$727,203</b>	<b>\$727,203</b>

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## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2013 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
New Freedom Program	20.521	MARTA-10/NEW FREEDOM	GA-57-X002-02	11/1/10	9/30/13
New Freedom Program	20.521	MARTA-12/NEW FREEDOM	GA-57-X002-03	3/20/12	6/30/14
New Freedom Program	20.521	MARTA-13/NEW FREEDOM	GA-57-X002-04	9/1/13	12/31/14
<b>SUBTOTAL</b>					
State and Community Highway Safety	20.600	GOHS-12/13(DUI)	GA-2013-000-00360	10/1/12	9/30/13
State and Community Highway Safety	20.600	GOHS-13/14(DUI)	GA-2014-000-00276	10/1/13	9/30/14
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>					
<b>U.S. Department of Treasury</b>					
Equitable Sharing Program	21.000	Police-21090003/Sheriff-27080003	N/A	N/A	N/A
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>					
<b>U.S. Department of Energy</b>					
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	ARRA-DOE-09(ENERGY)	DE-EE0000805	8/24/09	7/4/13
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>					
<b>U.S. Department of Health and Human Services</b>					
Community Based Care Transitions	93.000	AR11-CBCT	AG1210	3/1/12	6/30/14
Community Based Care Transitions	93.000	AR12-CBCT	AG1307	7/1/12	6/30/14
Community Based Care Transitions	93.000	AR13-CBCT	AG1307	7/1/13	6/30/14
<b>SUBTOTAL</b>					

# Comprehensive Annual Financial Report 2013

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Transportation	Federal Transit Administration	\$85,745	\$3,345	\$3,937			\$1,170	\$0
U.S. Department of Transportation	Federal Transit Administration	\$158,766	\$89,688	\$90,868			\$63,358	\$63,125
U.S. Department of Transportation	Federal Transit Administration	\$182,916	\$31,084	\$28,693			\$21,018	\$31,469
			<b>\$124,117</b>	<b>\$123,498</b>			<b>\$85,546</b>	<b>\$94,594</b>
U.S. Department of Transportation	Governors Office of Highway Safety	\$29,529	\$20,259	\$20,259			\$6,753	\$6,591
U.S. Department of Transportation	Governors Office of Highway Safety	\$29,100	\$6,896	\$6,085			\$2,298	\$3,079
			<b>\$27,155</b>	<b>\$26,344</b>			<b>\$9,051</b>	<b>\$9,670</b>
			<b>\$16,783,638</b>	<b>\$19,102,051</b>	<b>\$1,428,145</b>	<b>\$1,284,566</b>	<b>\$855,637</b>	<b>\$884,158</b>
U.S. Department of Treasury			\$511,106					
			<b>\$511,106</b>					
			<b>\$511,106</b>					
U.S. Department of Energy		\$7,312,700	\$32,928	\$44,139				
			<b>\$32,928</b>	<b>\$44,139</b>				
			<b>\$32,928</b>	<b>\$44,139</b>				
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$1,054	\$660					
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$8,819	\$150	\$5,025				
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$10,000	\$90	\$5,320				
			<b>\$900</b>	<b>\$10,345</b>				

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2013 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
Special Programs for the Aging – Title III, Part B – Supportive Services and Senior Center	93.044	AR12-IIIB	AG1307	7/1/12	6/30/14
Special Programs for the Aging – Title III, Part B – Supportive Services and Senior Center	93.044	AR13-IIIB	AG1307	7/1/13	6/30/14
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	AR09-IIIC	AG1010	7/1/09	12/31/13
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	AR10-IIIC	AG1117	7/1/10	6/30/14
Special Programs for the Aging – Title III, Part C – Supportive Services and Senior Center	93.045	AR11-IIIC	AG1210	7/1/11	6/30/14
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	AR12-IIIC	AG1307	7/1/12	6/30/14
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	AR13-IIIC	AG1307	7/1/13	6/30/14
Nutrition Services Incentive Program	93.053	AR10-NSIP	AG1117	7/1/10	6/30/14
Nutrition Services Incentive Program	93.053	AR11-NSIP	AG1210	7/1/11	6/30/14
Nutrition Services Incentive Program	93.053	AR12-NSIP	AG1307	7/1/12	6/30/14
Nutrition Services Incentive Program	93.053	AR13-NSIP	AG1307	7/1/13	6/30/14
<b>SUBTOTAL – Aging Program Cluster</b>					
National Family Caregiver Support	93.052	AR12-IIIE	AG1307	7/1/12	6/30/14
National Family Caregiver Support	93.052	AR13-IIIE	AG1307	7/1/13	6/30/14
<b>SUBTOTAL</b>					
Substance Abuse and Mental Health Services	93.243	DHHS-12(SAMHSA)	IH79TI024170-01	9/30/12	9/29/14
<b>SUBTOTAL</b>					
Children's Justice Grants to States	93.643	CASA-12/13	42700-040-0000012209	7/1/12	6/30/13
Children's Justice Grants to States	93.643	CASA-13/14	42700-040-0000019938	7/1/13	6/30/14
<b>SUBTOTAL</b>					
Social Services Block Grant	93.667	AR10-SSBG	AG1117	7/1/10	6/30/14
Social Services Block Grant	93.667	AR12-SSBG	AG1117	3/1/13	6/30/14
<b>SUBTOTAL</b>					
Medical Assistance Program	93.778	GADCH-11/12	000272742B	7/1/11	12/31/13
Medical Assistance Program	93.778	GADCH-12/13	000272742B	7/1/12	12/31/13
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					



# Comprehensive Annual Financial Report 2013

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$214,681	\$101,694	\$112,857	\$5,982	\$6,637	\$11,964	\$15,815
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$222,690	\$100,955	\$100,409	\$5,939	\$5,907	\$11,877	\$15,444
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$342,198	\$361		\$21		\$42	
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$378,486	\$50,126		\$2,949		\$5,897	
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$378,486	\$182		\$11		\$22	
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$383,087	\$176,044	\$189,214	\$10,356	\$11,128	\$20,711	\$12,356
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$495,064	\$181,776	\$198,596	\$10,693	\$11,683	\$21,385	\$56,939
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$41,552	\$874					
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$81,880	\$99					
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$81,880	\$29,164	\$29,130	\$4,922	\$10,826		
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$70,851	\$25,555	\$26,755	\$10,866	\$10,213		
			<b>\$666,830</b>	<b>\$656,961</b>	<b>\$51,739</b>	<b>\$56,394</b>	<b>\$71,898</b>	<b>\$100,554</b>
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$52,469	\$28,437	\$32,859	\$5,687	\$6,921	\$3,792	\$4,383
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$74,200	\$16,842	\$20,796	\$3,368	\$4,157	\$2,246	\$2,772
			<b>\$45,279</b>	<b>\$53,655</b>	<b>\$9,055</b>	<b>\$11,078</b>	<b>\$6,038</b>	<b>\$7,155</b>
U.S. Department of Health and Human Services		\$374,815	\$192,291	\$192,291				
			<b>\$192,291</b>	<b>\$192,291</b>				
U.S. Department of Health and Human Services	Georgia Court Appointed Special Advocate	\$39,799	\$19,585	\$19,899				
U.S. Department of Health and Human Services	Georgia Court Appointed Special Advocate	\$39,799	\$20,058	\$19,899				
			<b>\$39,643</b>	<b>\$39,798</b>				
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$128,638	\$2,562				\$349	
U.S. Department of Health and Human Services	Atlanta Regional Commission	\$38,320	\$13,284	\$33,722			\$1,811	\$4,598
			<b>\$15,846</b>	<b>\$33,722</b>			<b>\$2,160</b>	<b>\$4,598</b>
U.S. Department of Health and Human Services	Georgia Department of Community Health	\$43,821	\$2,625	\$2,586				
U.S. Department of Health and Human Services	Georgia Department of Community Health	\$42,000	\$6,257	\$13,825				
			<b>\$8,882</b>	<b>\$16,411</b>				
			<b>\$969,671</b>	<b>\$1,003,183</b>	<b>\$60,794</b>	<b>\$67,472</b>	<b>\$80,096</b>	<b>\$112,307</b>

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## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2013 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
<b>Executive Office of the President</b>					
High Intensity Drug Trafficking Area	95.001	District Attorney --32000003	N/A	N/A	N/A
<b>SUBTOTAL</b>					
<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</b>					
<b>U.S. Department of Homeland Security</b>					
Hazard Mitigation Plan	97.039	GEMA HMGP-1858-57	HMGP-1858-0057	3/1/12	11/30/14
<b>SUBTOTAL</b>					
Emergency Management Performance Grants	97.042	GADHS-12(PPA)	EMW-2012-EP-00051-S01	7/1/12	7/31/13
Emergency Management Performance Grants	97.042	GADHS-13(PPA)	OEM13-069	7/1/13	6/30/14
<b>SUBTOTAL</b>					
Assistance to Firefighters Grant	97.044	DHS-13	EMW-2012-FP-01100	4/25/13	4/24/14
<b>SUBTOTAL</b>					
Homeland Security Grant Program	97.067	GADHS-10(BW2294)	2008-GE-T8-0017	9/1/08	1/31/13
Homeland Security Grant Program	97.067	GADHS-11(BW2537)	2010-SS-T0-0034	8/1/10	6/30/13
Homeland Security Grant Program	97.067	GADHS-11(BW2598)	2009-SS-T9-0047	8/21/09	1/31/13
Homeland Security Grant Program	97.067	GADHS-12(BW2721)	EMW-2011-SS-00081-S01	9/1/11	4/30/14
Homeland Security Grant Program	97.067	GADHS-12(BW2666)	2010-SS-T0-0034	8/1/10	6/30/13
Homeland Security Grant Program	97.067	GADHS-12(BW2786)	EMW-2011-SS-00081-S01	9/1/11	4/30/14
Homeland Security Grant Program	97.067	GADHS-12(BW2832)	EMW-2011-SS-63-S01	10/1/12	1/31/13
Homeland Security Grant Program	97.067	GADHS-12(BW2837)	EMW-2011-SS-00081-S01	9/1/11	4/30/14
Homeland Security Grant Program	97.067	GADHS-13(BW2883)	2010-SS-T0-0034	8/1/10	7/31/13
Homeland Security Grant Program	97.067	GADHS-13(BW3004)	EMW-2012-SS-0063-S01	9/1/12	4/30/14
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
<b>TOTAL FEDERAL ASSISTANCE</b>					

# Comprehensive Annual Financial Report 2013



Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
	High Intensity Drug Trafficking Agency		\$286,041	\$293,180				
			<b>\$286,041</b>	<b>\$293,180</b>				
			<b>\$286,041</b>	<b>\$293,180</b>				
U.S. Department of Homeland Security	Federal Emergency Management Agency	\$2,125,457	\$862,016	\$685,610	\$126,292	\$101,472		\$1
			<b>\$862,016</b>	<b>\$685,610</b>	<b>\$126,292</b>	<b>\$101,472</b>		<b>\$1</b>
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$100,000	\$86,016					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$100,000	\$6,948	\$100,000				
			<b>\$92,964</b>	<b>\$100,000</b>				
U.S. Department of Homeland Security		\$62,520	\$61,203					
			<b>\$61,203</b>					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$10,991	\$690	\$775				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$20,000	\$9,169	\$9,428				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$16,170	\$1,016	\$1,152				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$25,000	\$17,305	\$17,773				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$3,243	\$3,243	\$3,243				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$9,827	\$7,370	\$7,370				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$53,026	\$39,584	\$41,526				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$20,000	\$7,244	\$7,244				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$338,233	\$338,233	\$338,233				
U.S. Department of Homeland Security	Georgia Department of Homeland Security	\$60,000	\$38,983	\$38,936				
			<b>\$462,837</b>	<b>\$465,680</b>				
			<b>\$1,479,020</b>	<b>\$1,251,290</b>	<b>\$126,292</b>	<b>\$101,472</b>		<b>\$1</b>
			<b>\$29,920,074</b>	<b>\$30,359,531</b>	<b>\$1,615,231</b>	<b>\$1,453,510</b>	<b>\$5,228,324</b>	<b>\$3,934,596</b>

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2013 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	To Date
<b>State/Local Assistance</b>					
Alzheimer's Program	N/A	AR10-ALZ	AG1117	7/1/10	6/30/14
Alzheimer's Program	N/A	AR11-ALZ	AG1210	7/1/11	6/30/14
Alzheimer's Program	N/A	AR12-ALZ	AG1307	7/1/12	6/30/14
Alzheimer's Program	N/A	AR13-ALZ	AG1307	7/1/13	6/30/14
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR10-CBS	AG1117	7/1/10	6/30/14
Community Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR11-CBS	AG1210	7/1/11	6/30/14
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR12-CBS	AG1307	7/1/12	6/30/14
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR13-CBS	AG1307	7/1/13	6/30/14
Special Program for Aging	N/A	AR10-ITCO	AG1117	7/1/10	6/30/14
Special Program for Aging	N/A	AR12-ITCO	AG1307	7/1/12	6/30/14
Special Program for Aging	N/A	AR13-ITCO	AG1307	7/1/13	6/30/14
Accountability Court – Drug Program	N/A	CJCC-12/13(DRUG)	J12-8-096	10/1/12	6/30/13
Accountability Court – Drug Program	N/A	CJCC-13/14(DRUG)	J13-8-023	7/1/13	6/30/14
Accountability Court – DUI Program	N/A	CJCC-12/13(DUI)	A12-8-047	10/1/12	6/30/13
Accountability Court – DUI Program	N/A	CJCC-13/14(DUI)	A13-8-012	7/1/13	6/30/14
Accountability Court – Mental Health Program	N/A	CJCC-12/13(MENTAL)	J12-8-134	10/1/12	6/30/13
Accountability Court – Mental Health Program	N/A	CJCC-13/14(MENTAL)	J13-8-047	7/1/13	6/30/14
Juvenile Justice Incentive Grant Program	N/A	CJCC-13/14(JJI)	Y13-8-011	8/1/13	6/30/14
Accountability Court – Juvenile Drug Program	N/A	CJCC-12/13(JUV)	A12-8-072	10/1/12	6/30/13
Accountability Court – Juvenile Drug Program	N/A	CJCC-13/14(JUV)	A13-8-028	7/1/13	6/30/14
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	GADHS-FAMCONN 12/13	427-93-131300065-99	7/1/12	6/30/13
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	GADHS-FAMCONN 13/14	427-93-141400064	7/1/13	6/30/14
Capital Improvement Assistance	N/A	GADOT-2013 (OPER)	T004606	1/1/13	3/1/15
Down Payment Assistance Program	N/A	GHA-2010	GWT HOUSING AUTH - 2010	6/15/10	6/30/13
Operation Round Up	N/A	WALTON ELECTRIC-2013	N/A	7/22/13	3/22/14
Regional Economic Business Assistance Program	N/A	N/A	N/A	N/A	N/A
<b>TOTAL STATE/LOCAL ASSISTANCE</b>					
<b>GRAND TOTAL</b>					

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

Federal	State/Local	Award Amount	Federal		State		Local	
			Expense	Revenue	Expense	Revenue	Expense	Revenue
	Atlanta Regional Commission	\$41,586			\$1,792			
	Atlanta Regional Commission	\$41,586			\$32			
	Atlanta Regional Commission	\$41,586			\$18,223	\$20,486		
	Atlanta Regional Commission	\$41,586			\$9,516	\$19,926		
	Atlanta Regional Commission	\$236,670			\$2,012			
	Atlanta Regional Commission	\$270,898			\$16,874			
	Atlanta Regional Commission	\$266,210			\$122,488	\$134,826	\$1,400	\$1,400
	Atlanta Regional Commission	\$383,949			\$105,152	\$142,981	\$1,488	\$1,488
	Atlanta Regional Commission	\$2,753			\$589			
	Atlanta Regional Commission	\$2,467			\$1,974	\$2,467		
	Atlanta Regional Commission	\$2,649			\$565	\$1,249		
	Criminal Justice Coordinating Council	\$104,201			\$82,497	\$82,691		\$1
	Criminal Justice Coordinating Council	\$118,743			\$89,789	\$75,590		\$1
	Criminal Justice Coordinating Council	\$18,789			\$13,980	\$13,980		
	Criminal Justice Coordinating Council	\$47,261			\$33,617	\$33,617		
	Criminal Justice Coordinating Council	\$67,152			\$65,794	\$66,225		\$1
	Criminal Justice Coordinating Council	\$115,560			\$45,762	\$45,110		\$1
	Criminal Justice Coordinating Council	\$400,000			\$51,900	\$51,900		
	Criminal Justice Coordinating Council	\$18,085			\$18,085	\$18,085		
	Criminal Justice Coordinating Council	\$46,838			\$22,883	\$22,736		
	Georgia Department of Human Services	\$45,000			\$30,456	\$30,456		
	Georgia Department of Human Services	\$45,000			\$15,635	\$15,635		
	Georgia Department of Transportation	\$329,915			\$288,640	\$251,738		
	Gwinnett Housing Authority	\$260,000					\$5,000	
	Walton Electric Trust Inc.	\$2,000					\$1,015	\$2,000
	Georgia Department of Community Affairs	\$300,000			\$300,000	\$300,000		
					<b>\$1,338,255</b>	<b>\$1,329,698</b>	<b>\$8,903</b>	<b>\$4,892</b>
			<b>\$29,920,074</b>	<b>\$30,359,531</b>	<b>\$2,953,486</b>	<b>\$2,783,208</b>	<b>\$5,237,227</b>	<b>\$3,939,488</b>

## Notes to Schedule of Federal, State, and Local Awards Basis of Presentation and Accounting

The accompanying schedule of expenditures of federal, state, and local awards presents the activity of all federal and state financial assistance programs of Gwinnett County, Georgia (the "County"), with the exception of the Gwinnett County Board of Health. The County reporting entity is defined in **Note 1** to the County's financial statements. Federal financial assistance received directly from federal agencies, federal assistance passed through other government agencies, and state and local financial assistance are included on the schedule.

The accompanying schedule of expenditures of federal, state, and local awards is presented using the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for proprietary fund types as more fully described in **Note 1** to the County's financial statements.

## Sub-Recipient Disbursements

During 2013, disbursements were made to sub-recipients or directly to citizens of the following grant programs:

Program	CFDA	Amount
Community Development Block Grants Cluster	14.218	\$ 2,218,647
Emergency Solutions Grant Program	14.231	415,808
HOME Investment Partnerships Program	14.239	938,005
Edward Byrne Memorial Justice Assistance Grant Program	16.738	27,383
Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	17,041
Substance Abuse and Mental Health Services	93.243	191,283
Down Payment Assistance Program	N/A	5,000
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	46,091
Juvenile Justice Incentive Grant Program	N/A	51,802
<b>Total</b>		<b>\$ 3,911,060</b>

**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**

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**The Board of Commissioners of Gwinnett County  
Lawrenceville, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Gwinnett County, Georgia** (the "County") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 7, 2014. Our report includes a reference to other auditors who audited the financial statements of the Gwinnett County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **County'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. 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  
May 7, 2014





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

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The Board of Commissioners of Gwinnett County  
Lawrenceville, Georgia

### Report on Compliance for Each Major Federal Program

We have audited Gwinnett County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Gwinnett County Board of Health, which received \$9,017,879 in federal awards which are not included in the Schedule of Expenditures of Federal, State, and Local Awards for the year ended December 31, 2013. Our audit, described below, did not include the operations of the Gwinnett County Board of Health because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

**Report on Internal Control Over Compliance**

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

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

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

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



Atlanta, Georgia  
May 7, 2014

## GWINNETT COUNTY, GEORGIA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

- (a) The type of report issued on the financial statements: **unmodified opinion**
- (b) Internal control over financial reporting:
  - Material weaknesses identified: **no**
  - Significant deficiencies identified, not considered to be material weaknesses: **yes**
- (c) Noncompliance material to the financial statements noted: **no**
- (d) Internal control over major programs:
  - Material weaknesses identified: **no**
  - Significant deficiencies identified, not considered to be material weaknesses: **None reported**
- (e) The type of report issued on compliance for major programs: **Unmodified.**
- (f) Any audit findings which are required to be reported under Section .510(a) of OMB Circular A-133: **no**
- (g) Major Programs:
  - Home Investment Partnerships Program, CFDA #14.239**
  - Airport Improvement Program, CFDA #20.106**
  - Federal Transit Formula Grants, CFDA #20.507**

## GWINNETT COUNTY, GEORGIA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2013

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

(h) Dollar threshold to distinguish between Type A and Type B programs: **\$897,602**

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

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

**Finding 2013-001 - Maintenance of a Ledger of Amount Owed by Agency Funds**

**Criteria:** Agency funds are used to account for resources held by the County, primarily the elected officials, in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained.

**Condition/Context:** During our audit of the elected officials, we noted certain accounts of the Clerk of Courts for which no detail listing could be provided to support the balance of who the amount of funds being held was to be distributed to as of year end. We did note that in most cases the elected officials maintain records of the receipts and disbursements each month but they are not reconciling those to the month end balances. Such a detail should be readily available and reconciled throughout the year as additional support for the funds being held.

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

**GWINNETT COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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

**Finding 2013-001 - Maintenance of a Ledger of Amount Owed by Agency Funds (continued)**

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

**Recommendation:** We recommend the Finance Department work with the elected officials to ensure that these details are properly maintained and reconciled throughout the year.

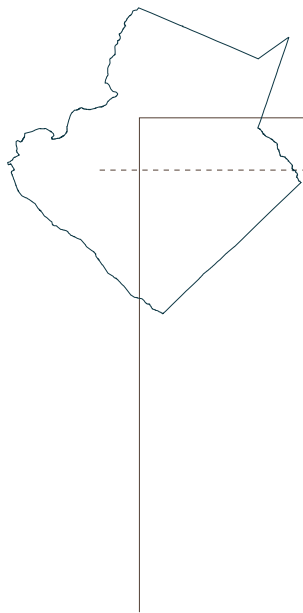
**Response:** During 2013, the Department of Financial Services met with the elected officials to offer assistance and discuss possible solutions to the reconciliation issue. The Department of Financial Services will continue to offer assistance to the Clerk of Court's Office to ensure that adequate records are maintained and reconciled to the respective cash balances.

**(3) Findings and Questioned Costs Relating to Federal Awards**

**None.**

**(4) Status of Prior Year Findings**

**None.**



• disclosure section



## Continuing Annual and Event Disclosures

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) *Rule 15c2-12 (b) (5) (i) (A) to (D)*. Effective in 1995, the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide continuing annual information and notices of material events for disclosure to the secondary bond market.

The following table provides a summary of continuing bond disclosure requirements:

	Annual Financial Information SEC Rule <i>15c2-12 (9b) (5) (I) (A)</i>	Audited Annual Financial Statements SEC Rule <i>15c2-12 (B) (5) (I) (B)</i>	Notice Of Material Events SEC Rule <i>(B) (5) (I) (C)</i>	Notice of Failure to Provide Annual Information SEC Rule <i>(B) (5) (I) (D)</i>
Nationally Recognized Municipal Securities Information	X	X		
Municipal Securities Rulemaking Board			X	X

## Agreement and Affected Bond Issue

In respective Bond Resolutions, the County and the Water and Sewerage Authority (the "Authority") agreed to provide continuing disclosure of (a) annual information and (b) notices of material events upon issuing its:

- *Water and Sewerage Authority Refunding Bonds, Series 2005*
- *Water and Sewerage Authority Refunding Bonds, Series 2006*
- *Water and Sewerage Authority Revenue Bonds, Series 2008*
- *Water and Sewerage Authority Revenue Bonds, Series 2009A and B*
- *Water and Sewerage Authority Refunding Bonds, Series 2011*



## Description of the Water and Sewer System

### The Water System

Gwinnett County obtains all of its water supply needs from facilities located at Lake Sidney Lanier (Lake Lanier), a 38,000-acre lake located just north of the county. Withdrawal from Lake Lanier is regulated through permits issued by the U.S. Army Corps of Engineers and the Georgia Department of Natural Resources' Environmental Protection Division (EPD). The water system consists primarily of the intake and treatment facilities at Lake Lanier; transmission mains, distribution mains, booster stations, storage, and administration and operations facilities. The Lanier Filter Plant and the majority of the water system's facilities and pipes were constructed after 1970. The Shoal Creek Filter Plant was completed in 2004 and has operated continuously since that time, with production split between the two facilities. A brief description of primary water system facilities is provided below.

**Water Production Facilities:** The Lake Lanier facilities include two raw water intakes with pump stations, four raw water force mains, a surge tank, a raw water distribution structure, a raw water reservoir, two water filtration plants, two finished water pump stations, and a residuals handling facility. The Lanier Raw Water Pump Station, dating from 1976, is located on the shore of Lake Lanier and has access to deep water in the main body of the lake. This intake consists of three 72-inch diameter fiberglass pipes of varying lengths, arranged to withdraw water from approximately 10, 24, and 45 feet below normal surface elevation of the lake (1,071 feet above mean sea level). The Shoal Creek Intake and Pump Station uses a 14-foot diameter tunnel below the lake bottom to withdraw water from an elevation of 1,025 msl.

The Lanier Raw Water Pump Station has six 30 million gallons per day (mgd) pumps, allowing for a peak pumping capacity of 180 mgd and a firm capacity of 150 mgd. Two raw water force mains, 48-inch and 72-inch diameters, follow a parallel route 2.9 miles to the Lanier Filter Plant. These mains are protected using a steel hydro-pneumatic surge tank, which prevents water column separation in the event of a power failure or emergency pump shutdown. A major upgrade to the Lanier Raw Water Pump Station was completed in January 2008. The work included new pumps and motors, hydraulic system, electrical switchgear, motor starters and controls, and HVAC systems.

The Shoal Creek Raw Water Pump Station has four 35 mgd pumps dedicated to the Shoal Creek Filter Plant, and four 50 mgd pumps dedicated to the Lanier Filter Plant. This greatly improves reliability of the water system by having backup pumping capability for both water production facilities. Two 72-inch diameter raw water mains carry water to the Shoal Creek and Lanier Filter Plants. This station went into operation in September 2004.

Construction of the Raw Water Distribution Structure was finished in 2005. This structure is the junction box for all raw water lines from both raw water pump stations. This structure allows distribution of water from either raw water pump station to either or both water treatment plants. There are also accommodations for pipelines to/from a future raw water reservoir. This allows additional flexibility to maintain operations in the event of outages at either raw water pump station.

The Lanier Filter Plant is located on a 94-acre site north of the City of Buford. The plant has a treatment capacity of 150 mgd. Facility components consist of a 37 million-gallon raw water storage reservoir; ozone disinfection facilities; pre-treatment facilities (rapid mix and flocculation); filtration; clear wells; a high-service pump station; chemical storage, handling, and feed systems; and residuals handling facilities. High-service pumping to the water distribution system is accomplished with seven variable speed pumps, four at 50 mgd and three at 25 mgd, allowing a nominal firm capacity of 200 mgd. The plant is operated through the use of an integrated Supervisory Control and Data Acquisition (SCADA) computer system, which controls both the treatment facility and tanks/pump stations within the distribution system.

Additional improvements and enhancements to the Lanier Filter Plant have been ongoing, intended to enhance reliability and accommodate growth. The clear well storage was increased by 20 mg. This increased finished water storage, allowing multi-day averaging to reduce maximum day demand peaking factor from 1.67 to 1.5, which extended the sufficiency of the Lanier Filter Plant capacity by several years. Also, an upgrade of the residuals handling facility was completed in August 2002. This improvement removed the previous liquid sludge contribution to the sanitary sewer system and replaced it with a dewatering system capable of producing a reusable residuals product. Work was completed in 2008 to provide an enhanced Backwash Equalization Process to improve operation of the residuals facility. The addition of two backwash equalization tanks, a filtrate equalization tank, and recycle pump station enables the plant to recycle the filter backwash water. This new process allows the plant to save and recycle 2 mgd and thereby reduce the amount of raw water withdrawn from the lake. More recently, the existing backwash pumps have been replaced and work is nearing completion on the installation of standby generators.

The Shoal Creek Filter Plant went into operation in September 2004. The Shoal Creek facility duplicates the processes employed at the Lanier facility, with the exception of the residuals handling process: all filter backwash water is pumped to the Lanier facility for dewatering. The Shoal Creek Filter Plant sits on an 88-acre site approximately three miles west of the Lanier Filter Plant. With its capacity of 75 mgd, the total water system capacity is now 225 mgd. Having the second facility greatly improves redundancy and reliability of the overall water system.

The 1986 Amendments to the *Safe Drinking Water Act* (SDWA) expanded requirements for testing and monitoring for lead and copper content of drinking water (the "*Lead and Copper Rule*"), along with other new water quality parameters. The County conducted a corrosion optimization study that examined options available to minimize corrosion. The County has conducted full-scale system evaluations of corrosion inhibitors to select products best suited for this specific water chemistry. EPD approved the County's long-term corrosion control plan in 1995 and in 1999. Successful use of blended phosphate corrosion inhibitors has optimized the County's corrosion control program. This has reduced the Lead/Copper sampling frequency to one event every three years. The most recent sampling and testing was completed in 2011. The test results were in full compliance.

The 1996 Reauthorization of the *Safe Drinking Water Act* required that water systems begin publication and distribution of annual *Consumer Confidence Reports* (CCRs) in 1999. Our CCR, called *Gwinnett Water Words*, was mailed annually since then with the water bills, and it is available on the Gwinnett County website. CCRs detail all regulated contaminants, and certain unregulated contaminants, detected in drinking water. These include specific language dealing with particular contaminants (including lead), which may be found in drinking water and/or bottled waters. There has been a positive response from consumers regarding this report.

**Vulnerability Assessment:** *The Public Health, Security, and Bioterrorism Preparedness and Response Act of 2002 (PL107-188)* required community water systems serving more than 100,000 persons to conduct Vulnerability Assessments and prepare specific Emergency Response Plans. The Vulnerability Assessment was completed by the March 2003 deadline, and the Emergency Response Plan was finished by September 2003, as required. Specific security improvements such as closed-circuit television cameras, card-readers and automatic door locks, and fence enhancements were installed in 2004. Additional security upgrades are factored into future CIP planning based on the results of an updated 2012 Vulnerability Assessment.

**Transmission Mains:** The transmission system includes approximately 180 miles of transmission mains. The major transmission main looping the county was completed in 1980. Approximately 89 miles of 36- and 48-inch pipe loop around the county, making it possible to reliably serve the entire area with water even in the event of a major transmission main break. Major branches form the grid to provide water service to all populated areas within the county, and also lead to wholesale customers neighboring the county. Because of continued growth, a third 48-inch transmission main was installed along the western portion of the county to reinforce the transmission main loop. This ductile iron transmission main is 21 miles long and connects to a 30-inch transmission main in Norcross. Connections between this main and the original transmission system provide greater flexibility and reliability of the water distribution system. Additionally, a 78-inch transmission main that runs 48,000 feet from the Lanier Filter Plant was completed in 2000 and intersects the 48" loop near Lawrenceville. The Shoal Creek Filter Plant construction included a new transmission main to connect the plant to the existing Lanier Filter Plant. In 2008 a 60-inch transmission line from the Shoal Creek Filter Plant to the existing 48-inch transmission mains located on Peachtree Industrial Boulevard at Little Mill Road was constructed. This greatly reinforces the county loop system and adds reliability.

**Distribution Mains:** The distribution main system consists of approximately 3,693 miles of pipes of various sizes that draw water from the transmission main system for distribution to customers. More than 50 percent of the distribution system has been installed in the last 25 years.

**Booster Stations:** The Water System includes several booster pump stations that raise water pressure in local areas to acceptable levels. They are used to provide service to customers in hilltop areas above the system delivery gradient or where limitations in transmission and storage capacity make delivery pressures too low. Currently, the water distribution system has 14 booster stations. While booster stations raise water pressure above the standard system gradient, topography dictates that other areas (considerably below the system delivery gradient) are relieved of excess pressure. This is accomplished by the creation of special zones that are isolated under normal circumstances by pressure-reducing valves.

To optimize service delivery, the County has established four separate pressure zones based on topography: South, Central, North, and Upper North. The Upper North Pressure Zone consists of the highest elevations in the county and is served by the Bogan Road Pump Station. The existing Bogan Road Pump Station was upsized in 2003 and in 2008 to better serve this growing area. The North Pressure Zone is served by three high-service pumps at the Lanier Filter Plant. During 2006, these pumps were replaced with three 25 mgd pumps with an increased delivery gradient to better serve this area. The Rock Quarry Road Pump Station, with a 10 mg tank and a 20 mgd pump station, was completed in summer 2004. The water is delivered to the Central Pressure Zone from four high-service pumps at the Lanier Filter Plant through the County's transmission mains. The South Pressure Zone is a region with elevations lower than the rest of the County; water is delivered to the South area from the central area along a series of pressure-reducing valves.

**Storage Facilities:** Water system storage is either ground storage or elevated tanks. The finished water clear wells at the Lanier and Shoal Creek Filter Plants provide 63 million gallons of storage (43 at Lanier and 20 at Shoal Creek). Five and 10 million-gallon ground storage tanks are located near the cities of Norcross, Buford, Grayson, Snellville, and Lilburn. Completion of the Rock Quarry Road 10 mg tank in Buford and the clear well at the Shoal Creek Filter Plant boosts total finished water storage to 118.4 mg.

**Customers of the Water System:** As of December 31, 2013, the water system had 229,126 retail customers. The water system provides treated water to both retail and wholesale customers within and around the county. The water system provides water at retail rates directly to customers residing in unincorporated areas of the county, as well as to many customers within incorporated areas. As municipalities within the county annex contiguous areas, water and sewer service remains with Gwinnett County, and the residents of the contiguous areas continue to purchase water at retail rates. Gwinnett County provides direct retail service to the residents of Berkeley Lake, Dacula, Duluth, Grayson, Lilburn, Norcross, Peachtree Corners, Snellville, and Sugar Hill. The water system also provides direct retail service to some of the residents of the cities of Buford, Lawrenceville, Loganville, and Suwanee. It serves some of the residents of Buford, Lawrenceville, and Suwanee on a wholesale basis. The City of Lawrenceville supplements its water system with wells. The City of Buford has its own intake in Lake Lanier and its own water treatment plant. The Gwinnett County water system also sells water on a wholesale basis to the City of Auburn in Barrow County, the Town of Braselton in Barrow County, the City of Loganville in both Gwinnett and Walton Counties, and the Walton County Water and Sewer Authority. The County purchased the City of Duluth's water system in December 1991, the City of Grayson's water system in May 1993, the City of Sugar Hill's water and sewer system in December 1995, and the City of Dacula's water system in May 1996, and the City of Norcross' water system in 2013.

## Water Consumption 2004 – 2013

The following table shows the average daily consumption in mgd of water billed by the Water System during the years 2004 through 2013:

Year	Gwinnett County Consumption		Out-of-County Consumption	Total Average Daily Consumption
	Retail	Wholesale	Wholesale	
2004	58.23	3.01	0.99	62.23
2005	63.01	2.83	1.06	66.90
2006	73.13	2.62	1.32	77.07
2007	76.26	2.95	1.46	80.67
2008	62.38	2.72	0.94	66.04
2009	60.95	2.77	0.30	64.02
2010	63.39	2.77	0.08	66.24
2011	63.81	2.47	0.11	66.39
2012	60.34	2.38	0.22	62.94
2013	57.00	1.77	0.13	58.90

Non-revenue water is due to water system losses, fire flow, meter underreporting and other causes. In 2010, non-revenue water was approximately 11 percent. On June 1, 2010, the governor signed the *Georgia Water Stewardship Act* of 2010 (SB 370). This act states that all water providers in the state of Georgia with a population “equal to or greater than 3,300” must implement a water loss control program and conduct an annual water system audit using American Water Works Association’s Free Water Audit Software. With using a new method for calculating the non-revenue water, there was an initial increase to 15 percent for 2011, but a decrease to 10.9 percent for 2012 and another decrease to 9.9 percent for 2013. The Department of Water Resources continues with a task force that is working towards decreasing the monthly percentage of non-revenue water by focusing on all areas of possible water loss and finding methods to track and account for water not currently metered. These efforts include a) tracking water use through hydrants by County departments, contractors, and for County projects; b) testing and replacing large water meters; and c) reducing the overall pressures in certain areas of the county by re-establishing pressure zones throughout the county.

The following tables show the 10 largest retail and wholesale customers of the water system during the 12 months ended December 31, 2013. Total water usage during the 12 months ending December 31, 2013, was 21,491,477.8/thousands of gallons, generating \$98,939,827.91 in usage revenues (excluding late fees). No single retail customer accounted for more than 1.20 percent of total water system usage revenues in 2013, and the 10 largest retail customers together accounted for 4.55 percent of such revenues. No single wholesale customer accounted for more than 2.49 percent of total water system usage revenues in 2013, and the nine wholesale customers together accounted for 3.16 percent of such revenues. In addition to regular water revenues, we generated \$8,174,189.94 in conservation tier charge revenue from water customers who exceeded consumption of 8,000 gallons in any given month.

## Water Use: 10 Largest Retail Water Customers – 2013

Customer	Thousands of Gallons-Per-Year	mgd	Total Revenues Received
Gwinnett County Board of Education	248,202.2	0.68	\$1,186,418
Gwinnett County Government	213,515.4	0.58	\$1,128,642
Publix	116,470.0	0.32	\$545,350
Suniva Inc.	67,841.4	0.19	\$317,781
OFS Brightwave	66,659.9	0.18	\$312,319
Phillips State Prison	64,972.0	0.18	\$304,192
Cottonwood Bristol	38,472.1	0.11	\$180,326
Overlook at Berkeley Lake	38,456.9	0.10	\$184,135
The Falls at Gwinnett Place GA, LLC	36,446.4	0.10	\$170,690
The Conservatory, LLC	36,453.0	0.10	\$170,806
<b>TOTAL</b>	<b>927,489.3</b>	<b>2.54</b>	<b>\$4,500,659</b>

## Water Use: Wholesale Water Customers – 2013

Customer	Thousands of Gallons-Per-Year	mgd	Total Revenues Received
City of Lawrenceville	536,194.8	1.47	\$2,461,571
City of Norcross	98,337.1	0.27	\$386,026
City of Loganville	44,758.6	0.12	\$207,778
City of Buford	13,076.0	0.04	\$60,635
Town of Braselton	962.1	0.00	\$4,472
Walton County Water	183.2	0.00	\$850
City of Suwanee	100.0	0.00	\$465
City of Auburn	34.9	0.00	\$75
Barrow County	4.2	0.00	\$0
<b>TOTAL</b>	<b>693,650.9</b>	<b>1.90</b>	<b>\$3,121,872</b>

## Retail Monthly Meter Charges

**Current Water Rates:** Presented below are the major rate categories currently in effect. The Gwinnett County Board of Commissioners adopted the following rates at its regular meeting on March 3, 2009. The Board of Commissioners has subsequently adopted rate increases effective each January 1st, beginning 2010 and going through 2015 (see schedules that follow). Water rates are fixed by the County and are subject to change, as the County deems advisable. Rates set by the County are not subject to approval by any outside agency.

Meter Size	Base Water Fee (effective July 1, 2009)
¾"	\$7.50
1"	\$16.50
1½"	\$27.00
2"	\$52.50
3"	\$144.00
4"	\$210.00
6"	\$400.00
8"	\$750.00

## Retail Monthly Water Charges

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

Current 2013	Effective January 1, 2014	Effective January 1, 2015
Tier 1: \$4.69/1,000 gal	Tier 1: \$4.85/1,000 gal	Tier 1: \$5.02/1,000 gal
Tier 2: \$7.03/1,000 gal	Tier 2: \$7.275/1,000 gal	Tier 2: \$7.53/1,000 gal
Tier 3: \$9.38/1,000 gal	Tier 3: \$9.70/1,000 gal	Tier 3: \$10.04/1,000 gal

*Note: Effective January 1, 2010, water charges are based on a three-tier system to promote conservation. Tier 1 rates are applied to consumption less than 8,000 gallons, Tier 2 rates are applied to consumption 8,000 – 12,000 gallons, and Tier 3 rates are applied to consumption greater than 12,000 gallons.*

Effective June 1, 2009, all irrigation and builder accounts are billed at 2.0 times the tier-one volumetric rate for all water passing through the water meter per billing period as follows:

Current 2013	Effective January 1, 2014	Effective January 1, 2015
\$9.38/1,000 gallons	\$9.70/1,000 gallons	\$10.04/1,000 gallons

### Fire Protection

Effective September 1, 2009, the fee for fire protection taps is \$2.00 per inch of fire service pipe diameter. Also effective September 1, 2009, water that passes through the fire protection meter for purposes other than fire suppression is billed for water and sewer; the water volumetric rate applicable to non-fire-related water usage shall be 3.0 times the Tier 1 rate. Each private line is equipped with an approved detector meter at the customer's expense.

### Connection Charge

Charges for connecting new services to the water system (effective since January 1, 2009):

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



## Water System Development Charges

Water Meter Size	January 1, 2010 – 2013
¾"	\$ 1,128
1"	3,610
1½"	8,573
2"	15,679
3"	39,142
4"	62,830
6"	125,434
8"	200,671
10"	Varies*
12"	Varies*

\* Determined by the Department of Water Resources

**Raw Water Supply:** On July 2, 1973, the County entered into the "Contract between the United States of America and Gwinnett County, Georgia, for Withdrawal of Water from Lake Sidney Lanier," and has since entered into several extensions and modifications to that agreement (collectively known as the "Contract"). The Contract granted the County the right to withdraw raw water from Lake Lanier for municipal and industrial uses at a rate of 53 mgd. The Contract permitted the County to construct and operate facilities to withdraw water and requires the County to maintain certain records.

The Contract originally provided that either party could terminate it upon providing three years' notice. Unless otherwise terminated, the Contract would continue for 30 years or until the federal government completed its study of area water storage, discharge, and withdrawal needs. In June 1985, the U.S. Corps of Engineers, Army Engineers District-Mobile (the Corps of Engineers) gave the County notice that the Contract would be terminated on July 1, 1989. In June 1989, the Contract was extended for six months, until January 1, 1990. That historical contract is no longer in effect; however, the County has continued to withdraw water from Lake Lanier, which provides all of the County's raw water.

From 1990 to 2000, the County paid \$9.74 per million gallons for water withdrawn. In April 2000, the U.S. Army Corps of Engineers increased this amount to \$18.80 per million gallons. In December 2000, customers of the Southeastern Power Administration, which receive the benefits of hydropower production from Corps of Engineers projects in the ACT and ACF basins, filed a lawsuit seeking an increase in the price charged to municipalities drawing domestic water supplies from Lake Lanier. Gwinnett County, with the Atlanta Regional Commission and others, joined in the mediation of this lawsuit. The settlement of this litigation, signed by the United

States, the State of Georgia, and hydropower customers as well as the municipal water purveyors, would have restored the contractual relationship between Gwinnett County and the United States Corps of Engineers pending *National Environmental Policy Act* procedures. The new contracts would reserve unto Gwinnett County a portion of the conservation pool of Lake Lanier sufficient to yield an annual average supply of up to 152 mgd even during a severe drought. The annual cost of raw water would increase from approximately \$700,000 per year on an escalating and interminable schedule to approximately \$1,780,000 per year on a 30-year amortization schedule, after which payments for that volume of water cease. These increased payments would be retroactive to 2003, the date the settlement agreement was approved by the D.C. District Court. The interim water storage contract appended to the mediation agreement and which is convertible to a permanent storage contract has a 10-year term with an automatic 10-year renewal provision. This conversion to a permanent storage contract is contingent upon clarification of the legal authority granted to the U.S. Army Corps of Engineers by the Congress to enter into permanent contracts. This settlement agreement was appealed by Florida and Alabama to the Washington D.C. Circuit Court of Appeals. A three-judge panel of the D.C. Circuit Court determined on February 5, 2008, that the hydropower compensation settlement agreement exceeded the Corps of Engineers' authority, thus overturning the decision by the D.C. District Court. As a consequence, Gwinnett County is relieved of the accumulated contingent liability of the difference in a) payments for actual raw water amounts used at \$18.80 per million gallons and b) the \$1,780,000 annual payment for storage since 2003. However, it is expected that when some agreement is reached with Alabama and Florida, the Corps of Engineers will have authority to contract with the county and will need to be compensated for the use of the storage in Lake Lanier to offset the use of the water to generate power.

The water system is required to have a permit from EPD to withdraw water from Lake Lanier. In 1997, the County received a revised withdrawal permit for 150 mgd during a maximum day. This rate of withdrawal coincided with the capacity of the expanded plant on which construction was completed in December 1997. The withdrawal permit was amended in 1999 to change the 150-mgd limit from "maximum day" to "average day for any month." This permit modification allowed the County to proceed with the new Shoal Creek Filter Plant construction to increase the water production capacity from 150 mgd to 225 mgd. Major construction of this plant was finished in 2004. The current withdrawal permit is sufficient to meet near-term demand projections. For example, the maximum monthly withdrawal rate was 99 mgd, 103 mgd, 90 mgd, 98 mgd, 112 mgd, 118 mgd, 110 mgd, 81 mgd, 87 mgd, 87 mgd, 91 mgd, 84 mgd, and 71 mgd for the years 2001 – 2013, respectively. The County will continue to pursue increased withdrawals from Lake Lanier as demand increases.

On June 28, 1990, the State of Alabama filed a lawsuit in the *United States District Court for the Northern District of Alabama against the Corps of Engineers, State of Alabama v. the United States Army Corps of Engineers, et al.* In the lawsuit, the State of Alabama alleges that, among other things, the Corps of Engineers violated the *National Environmental Policy Act* in connection with the proposed re-allocation of a portion of Lake Lanier's conservation storage to municipal and industrial water supply. The State of Florida joined the lawsuit, and on September 19, 1990, at the request of the State of Alabama and the Corps of Engineers, the District Court entered an order staying the proceedings so that the negotiations among the states may occur and a comprehensive study of the water resources of the Alabama-Coosa-Tallapoosa and the Apalachicola-Chattahoochee-Flint River basins could be performed. This study is known as the "ACT/ACF Basins Comprehensive Water Resources Study." The Corps of Engineers, along with the States of Georgia, Alabama, and Florida performed the study. The three states approved Basin Compacts in early 1997, essentially completing the Comprehensive Study. These Compacts were ratified by the U.S. Congress and signed by the President of the United States in December 1997. The three states and the federal government were in the process of developing a management system for water resources in

the ACT/ACF basins and a formula for the allocation of ACT/ACF water and storage, as mandated by the Compacts. However, the ACF compact and interstate water allocation discussions between Georgia, Alabama, and Florida on the ACF basis ended on September 1, 2003.

Several ACF cases were consolidated in March 2007 by order of the Judicial Panel on Multidistrict Litigation. The multidistrict litigation combines the following cases with the 1990 litigation on the ACF referenced above: Georgia's 2001 lawsuit against the U.S. Army Corps of Engineers challenging the Corps' denial of a request to reallocate storage in Lake Lanier for long-term water supply; Georgia's 2006 litigation against the U.S. Army Corps of Engineers challenging the Corps' interim operating plan for the ACF system; and Florida's 2006 filing against the U.S. Fish and Wildlife Service challenging the biological opinion for the interim operating plan. Gwinnett County is an intervener in these cases, aligned with the State of Georgia. The consolidated case then proceeded in the Middle District of Florida presided over by a judge assigned from Minnesota.

On July 17, 2009, the district court judge ruled that drinking water supply is not a congressionally-authorized use of the storage in Lake Lanier. The County's withdrawals from Lake Lanier were therefore considered unauthorized by this District Court. The judge gave the parties three years to obtain congressional approval of the reallocation of the use of Lake Lanier and allowed the current water withdrawals to continue during this period.

The Governor of Georgia worked to resolve this issue and took the following steps:

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

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

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

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

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

Georgia has filed its answer to Florida's complaint, but the United States Supreme Court has yet to decide whether it will hear Florida's complaint. That decision is expected to be forthcoming sometime in the Spring of 2014.

## The Sewerage System

The sewage treatment facilities of the system (the "Sewerage System") are comprised of three Water Reclamation Facilities ("WRFs") that are wholly owned by the Water and Sewerage Authority and additional treatment capacity (contracted) in one other WRF outside of the county. All of the sewerage system's WRFs provide advanced treatment under some of the most stringent environmental requirement in the state of Georgia. The minor treatment facilities at Beaver Ruin, Jacks Creek, and Jackson Creek were taken out of service in 2009, 2010, and 2011, respectively. Total permitted treatment capacity currently available to Gwinnett County is 100.5 mgd.

A Water Resources laboratory providing chemical and microbiological analyses ensures the WRFs provide consistent reporting and monitoring to the regulators. Additional laboratory services include monitoring and enforcement of industrial pretreatment requirements, and ambient water quality monitoring of the streams and rivers within the county, as needed. Separate process control laboratories are also maintained at each WRF to monitor plant performance and provide data for process control decisions.

**Water Reclamation Facilities:** The Sewerage System's treatment facilities are the F. Wayne Hill Water Resources Center (WRC), the Yellow River WRF, and the Crooked Creek WRF. The Sewerage System has purchased treatment capacity in DeKalb County's Pole Bridge Water Pollution Control Facility (WPCF). The following table shows the permitted capacity in mgd of each treatment facility and the approximate usage for each during 2013.

## Sewerage System Capacity and Usage in 2013

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

Wastewater Reclamation Facilities (WRFs)	Permit	ADMMF	AADF
F. Wayne Hill WRC	60.0	32.45	29.61
Crooked Creek WRF	16.0	9.09	7.90
Yellow River WRF	22.0	14.96	13.75
Pole Bridge WPCF <sup>(1)</sup>	2.5	0.50	0.40
<b>TOTAL SYSTEM<sup>(2)</sup></b>	<b>100.5</b>	<b>58.80</b>	<b>53.42</b>

<sup>(1)</sup> Plant capacity at Pole Bridge is used through an agreement with DeKalb County.

<sup>(2)</sup> This total is the Average Daily Flow for the system's Maximum Month and is not the sum of the ADMMF's for the individual locations which may occur in different months.

The County reports the numbers of National Pollutant Discharge Elimination System (NPDES) permit violations experienced by the County's WRFs. In the years 2007 through 2013, the violations reported were respectively zero, zero, ten, four, two, zero, and zero. Nine of the violations in 2009 and four in 2010 were permitted flow exceedances caused by flooding in the County in September 2009. Due to the severity of the flooding, the county was declared a natural disaster by the Federal Emergency Management Agency (FEMA). Gwinnett County WRFs have won more than 135 awards from the National Association of Clean Water Agencies and the Georgia Association of Water Professionals in the years 2007 through 2013 for exceptional operations and permit compliance. In 2008, the F. Wayne Hill WRC was selected as *Plant of the Year* in its size category by the Georgia Association of Water Professionals, and also received the *National Clean Water Act Recognition Award* and the *Region IV National Clean Water Act Recognition Award* from the EPA.

As part of a 50-year Water and Wastewater Master Plan, the F. Wayne Hill WRC started operation in early 2001. In late 2005, construction was completed on an additional 40 mgd of treatment capacity at the F. Wayne Hill WRC. The additional capacity brings the total water reclamation capacity of the F. Wayne Hill WRC to 60 mgd. The facility is part of a comprehensive plan to protect and conserve the County's limited water supply. The F. Wayne Hill WRC meets one of the strictest overall treatment requirements in the Southeast, producing high-quality reclaimed water that is clean enough to discharge to a drinking water supply source. The F. Wayne Hill WRC is permitted to discharge up to 40 mgd into Lake Sidney Lanier and 20 mgd into the Chattahoochee River. The F. Wayne Hill WRC began discharging to Lake Lanier after the completion of the pipeline to the Lake in 2010. The F. Wayne Hill WRC discharged 6,669 mg of reclaimed water in 2010, 9,371 mg in 2011, 8,426 mg in 2012, and 9,640 mg in 2013 to Lake Lanier.

In early 2007, construction began at the Yellow River WRF in order to consolidate wastewater flows from several smaller aging wastewater treatment facilities in the Yellow River basin and treat that flow at one facility capable of producing an effluent that meets current Environmental Protection Division standards. The County chose to consolidate operations in the Yellow River basin to the single Yellow River site rather than upgrade and rehabilitate each of the smaller individual sites as a way to reduce the overall cost to our

ratepayers and stakeholders. The result of consolidating operations into a single site resulted in reduced capital costs for construction as well as long-term operating costs. This savings is achieved through economies of scale that is achieved by building and operating a single large facility. The Yellow River WRF reconstruction went into operation in June 2011, and thus the permitted capacity increased from 13.5 to 22.0 mgd. The Jackson Creek WRF was decommissioned in June 2011 by diverting the flows to Yellow River WRF.

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

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

**Collection System:** Gwinnett County has approximately 2,967 miles of gravity and force main sewers ranging in size from eight inches to 72 inches in diameter, and approximately 225 active pump stations. These gravity sewers and pump stations collect and transmit the wastewater flow from the water customers who are served by the sewer system to the WRFs. Sewer service is provided in the central, western, and north central portions of the county. The Lower Apalachee and Lower Alcovy basins are only minimally served by sewers at this time. The 2030 Water and Wastewater Master Plan identified infrastructure improvement needs through the 2030 planning period and beyond based on flow projections. The County experiences sanitary sewer overflows, mainly due to root intrusion and grease accumulation in the sewer system. The County has a grease control and root control program to address these issues. The reportable overflows for 2008 to 2013 were 33, 31, 30, 22, 23, and 14, respectively.

The County completed the Eastside Wastewater Conveyance System, designed to convey flows from numerous sub-basins on the southeastern side of the county nearly 18 miles to the F. Wayne Hill WRC. Flows that originate in the southernmost sub-basins of that system are collected at the Lower Big Haynes Pump Station (15 mgd) and pumped through a 36-inch force main to the Brooks Road Booster Pump Station. At some point, flows from the Brooks Road Pump Station are added, and all flow is then pumped northward. At that point, flows from the Alcovy Pump Station are added, and all flow is then pumped directly to the F. Wayne Hill WRC. In October 2010, a 16,000-foot long, 12-foot diameter NBC Tunnel and 215 deep 5.5 mgd Lift Station project was completed at the cost of \$64 million. The sewer collected southside of the county is now pumped to the Beaver Run pump station and then to the F. Wayne Hill WRC. This project won one of the five State Awards from the American Council of Engineering Companies.

Interbasin connection by pumped flows allows management to direct flow to the treatment facility that is best able to handle the flows. In basins where treatment facilities are located down gradient of other treatment facilities, the up-gradient facilities have diversion gravity lines that allow flows to be diverted for downstream treatment when needed. All pump stations have remote telemetry capability, which reports power outages, high water level alarms, and other problems to a central control center that is manned continuously. Critical pump stations that could overflow into waters with the potential for human contact have backup telemetry as well. The telemetry system is monitored by a computer that periodically queries the current status of the stations and verifies the pump stations' ability to call in alarms.

All pump stations are visited and checked by maintenance personnel, and preventive maintenance is performed on a scheduled frequency. Alarms are investigated and needed repairs are promptly accomplished. Right-of-ways and easements are maintained for access to all sewer system gravity lines and pump stations. All large and most small pump stations have dual electrical feed or standby generators for emergency use. The County owns portable generators that can be transported to small pump stations in power outage situations.

A state-approved pretreatment program is in place. This program protects the treatment facilities from discharges to the sewers of materials that could upset or harm the biological treatment processes at the treatment plants. In addition, this program protects the sewer collection system from discharges of materials that could damage the gravity lines and/or the pump stations.

**Customers of the Sewerage System:** As of December 31, 2013, the Sewerage System had 156,358 retail customers. The City of Norcross was using the Sewerage System facilities on a wholesale basis until May of 2013 when Gwinnett County purchased Norcross' water and sewerage system. Beginning January 1, 2012, Gwinnett County entered into a new agreement with DeKalb County where each party pays retail sewer rates for all wastewater treated. Residents of Lilburn, Snellville, Berkeley Lake, Grayson, Duluth, Dacula, Suwanee, and Sugar Hill who are connected to the Sewerage System receive their service directly from the County. A portion of the residents of Buford are served by Buford's wastewater treatment system, while others are served by the County.

The following table shows the 10 largest retail users of the Sewerage System during 2013. Total sewer usage during 2013 was 15,454,638.5/thousands of gallons, generating \$113,878,557.61 in usage revenues (excluding late fees). No single retail user accounted for more than 1.29 percent of total Sewerage System revenues in 2013, and the 10 largest users together accounted for 4.72 percent of such revenues. In addition to retail customers, the County also provided service to two municipal customers on a wholesale basis: DeKalb County and the City of Norcross. DeKalb County produced 0.39 mgd of wastewater in 2013 and was billed \$1,007,362.82. The City of Norcross produced 0.84 mgd of wastewater in 2013 and was billed \$203,875.47. These two wholesale customers accounted for 1.06 percent of the total Sewerage System revenues.

## 10 Largest Retail Sewerage Users – 2013

Customer	Thousands of Gallons-Per-Year	mgd	Total Revenues Received
Gwinnett County Board of Education	207,148.9	0.57	\$1,469,923
Gwinnett County Government	154,031.5	0.42	\$1,030,179
Publix	71,279.0	0.20	\$591,856
Suniva	67,841.4	0.19	\$489,276
Phillips State Prison	64,972.3	0.18	\$459,840
Overlook at Berkeley Lake	37,610.1	0.10	\$266,624
The Conservatory LLC	36,453.0	0.10	\$278,213
The Falls at Gwinnett Place GA, LLC	36,446.4	0.10	\$258,158
FAOF Ashby	35,813.5	0.10	\$253,949
Cottonwood Bristol	35,458.5	0.09	\$272,758
<b>TOTAL</b>	<b>747,054.6</b>	<b>2.05</b>	<b>\$5,370,776</b>

**Current Sewerage Rates:** The schedule presented below shows sanitary sewer rates. The Board of Commissioners adopted these rates at their meeting on March 3, 2009. The rates are subject to change by the County, as it deems advisable. Rates set by the County are not subject to the approval of any outside agency.

### Volume Sewer Charge

The following volumetric sewer charge shall apply to all water consumed.

Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015
\$7.11/1,000 gallons	\$7.82/1,000 gallons	\$8.60/1,000 gallons

*Note: In addition to the water base charge, all retail sewer accounts pay a base sewer fee of \$5.00 per billing period, effective July 1, 2009, with the exception of multi-family housing on a master meter. The base charge is separate from the volume charge for either water or sewer usage. Where one meter serves more than one unit, the monthly meter charge is \$10.00 per unit per billing period, effective July 1, 2009. Base rates are effective until modified by the Board of Commissioners.*



## Industrial Surcharge

As computed for specific conditions of discharge:

## Sewer System Development Charge

Water Meter Size	January 1, 2010 – 2013
¾"	\$ 4,147
1"	13,270
1½"	31,517
2"	57,643
3"	143,901
4"	230,988
6"	461,146
8"	737,751
10"	Varies*
12"	Varies*

\* System development charges for meters larger than 8" will be determined by the Department of Water Resources to reflect anticipated average daily wastewater flows; insufficient data are available to develop equivalent flow factor for these large meters.

## Annual Financial Information

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statement for each bond issue. The table on the following page provides a summary of combined operating results:

## Gwinnett County Water and Sewerage System and Authority Summary of Combined Operating Results (in thousands of dollars)

	2013	2012	2011	2010	2009
<b>Operating Revenues:</b>					
Residential and commercial service	\$ 263,997	\$ 259,042	\$ 248,280	\$ 232,764	\$ 201,134
Wholesale service	4,333	5,347	6,445	7,091	6,895
Public fire protection charges to other funds	670	665	652	648	517
Connection charges	1,110	650	373	463	259
Miscellaneous	7,124	5,585	4,476	6,348	4,679
Total operating revenues	277,234	271,289	260,226	247,314	213,484
<b>Operating Expenses:</b>					
Water production	17,492	14,516	15,860	15,161	16,652
Distribution and collection	28,537	28,011	29,261	26,868	25,398
Engineering	4,633	4,771	4,823	4,587	5,881
Reclamation	30,465	30,755	28,199	27,928	26,372
Depreciation and amortization	81,583	66,784	69,387	68,424	65,449
General and administrative	30,404	31,521	28,185	28,916	22,717
Total operating expenses	193,114	176,358	175,715	171,884	162,469
Operating income	84,120	94,931	84,511	75,430	51,015
<b>Non-operating Revenues (Expenses):</b>					
Intergovernmental	–	586	1,667	6,617	–
Investment earnings	355	556	542	402	127
Interest expense	(40,770)	(42,843)	(31,530)	(36,407)	(31,281)
Loss on disposal of fixed assets	(26,582)	(21,576)	(4,385)	(1,804)	(6,041)
Income before operating transfers and contributions	17,123	31,654	50,805	44,238	13,820
Capital contributions	21,471	13,449	15,416	10,745	16,702
Transfers in	–	–	–	74	–
Transfers out	(165)	(165)	(90)	(90)	–
Increase in net position	38,429	44,938	66,131	54,967	30,522
Net position, January 1, as restated	2,361,404	2,316,466	2,255,937	2,200,970	2,170,448
Net position, December 31	\$ 2,399,833	\$ 2,361,404	\$ 2,322,068	\$ 2,255,937	\$ 2,200,970

## Security for the Bonds

### General

The Series 2005, 2006, 2008, 2009A, 2009B, and 2011 Bonds are limited, special obligations of the Authority. The County and the Authority have entered into a Lease Agreement (the "Lease") dated November 1, 1985, and subsequently amended by the Amended and Restated Lease Contract in 1997 and supplemented by the Supplement Lease Contract (the "Supplemental Lease") dated as of October 1, 2004 by which the Authority leased to the County all of its water and sewer facilities (collectively referred to as the "System"). Facilities acquired after November 1, 1985, are part of the System. The Lease is in effect until all revenue bonds are paid in full, but no later than October 1, 2054. The County manages and operates the System under the terms of the Lease as well as pledges the County's full faith and credit and taxing power as security for the revenue bonds issued by the Authority.

All bonds issued after execution of the Supplemental Lease are expressly junior and subordinates to the pledge of the net revenues with respect to bonds issued prior to that date. Lease Payments equal to the debt service of all First and Second Lien Bonds are to be paid directly by the County, on behalf of the Authority, into the Sinking Fund. The revenues of the Authority representing the Lease Payments from the County as provided in the Lease have been pledged to the payment of the principal and interest on the Series 2002, 2003, 2005, 2006, 2008, 2009, and 2011 Bonds and any Additional Bonds or Obligations issued therewith.

The Water and Sewer Authority issued \$121,375,000 in refunding bonds ("2006 Refunding Bonds") on March 9, 2006. The 2006 Refunding Bonds were issued to 1) refund the 2002 Bonds in part and 2) pay costs related to the issuance of the Bonds. The 2006 Refunding Bonds were issued at a True Interest Cost of 4.3846 percent and resulted in net present value savings of \$4.9 million or 4.176 percent of the refunded par amount.

Additionally, the Water and Sewer Authority issued \$235,575,000 in revenue bonds (2009A Revenue Bonds) and \$23,955,000 in economic Development Recovery Zone Bonds (2009B Recovery Zone Bonds) on October 22, 2009. The 2009 Bonds were issued to 1) finance, in whole or in part, the costs of certain improvements and extensions to the water and sewerage system owned by the Authority, 2) refund all of the Series 2004 Bonds, and 3) pay the costs of issuing the Series 2009 Bonds. The 2009A Revenue Bonds were issued at a True Interest Cost of 3.3471 percent and the 2009B Recovery Zone Bonds were issued at a True Interest Cost of 3.0228 percent.

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

## **Revenue Fund and Lease Payments**

All revenue derived from ownership and operation of the System or from properties in connection therewith shall be collected by the County and deposited promptly into the Revenue Fund created pursuant to the Lease. The County shall first pay from the Revenue Fund the reasonable and necessary costs of operating and maintaining the System in accordance with sound business practices, but before making provisions for depreciation, interest expense, and amortization. The net revenues remaining in the Revenue Fund after the payment of such operating expenses, as provided in the Lease and the Supplemental Lease, are pledged to the payment of interest and principal of outstanding First and Second Lien debt. Net revenues remaining after the payment of debt service are paid to the Renewal and Extension Fund for funding of capital projects.

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

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

## **Additional Bonds**

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

- (a) None of the outstanding First and Second Lien Bonds are in default as to payment of principal and interest; the Authority remains in compliance with the Lease as supplemented and amended; the County is in compliance with the Lease and has consented in writing to the issuance of such Additional Bonds.
- (b) All of the payments to the Sinking Fund for both First and Second Lien Bonds are currently being made in full as required.
- (c) A firm of independent certified public accountants shall have certified that based on Net Revenues for a period of 12 full consecutive calendar months out of 18 consecutive calendar months preceding the month of adoption of the proceedings for the issuance of such Additional bonds, the Debt Service Coverage Ratio for each full Sinking Fund Year subsequent to issuance of the proposed Additional Bonds shall not be less than 1.10.

- (d) If such proposed Additional Bonds are issued to finance a capital project, the Authority shall have received a report of the Consulting Engineers setting forth the description of the project and projected future Debt Service Coverage Ratios.
- (e) All procedures relating to authorization of Additional Bonds and subsequent validation proceedings are followed.

## Annual Debt Service Requirements

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

Bond Year Ending December 31	Second Lien				
	Debt Service Requirements 2005	Debt Service Requirements 2006	Debt Service Requirements 2008	Debt Service Requirements 2009*	Debt Service Requirements 2011
2014	34,532,513	7,610,019	17,128,132	19,378,236	18,370,900
2015	34,529,287	7,510,219	17,131,882	19,151,836	18,367,350
2016	34,520,562	7,704,181	17,128,882	19,088,036	18,364,950
2017	34,528,162	7,585,394	17,128,483	19,090,036	18,368,950
2018	34,538,762	7,468,594	17,128,983	19,089,636	18,366,500
2019 – 2023	39,932,850	77,757,744	85,651,615	95,439,688	91,836,900
2024 – 2028	–	47,078,899	85,650,016	96,736,138	36,732,000
2029 – 2033	–	–	–	21,042,548	–
<b>Total</b>	<b>212,582,136</b>	<b>162,715,050</b>	<b>256,947,993</b>	<b>309,016,154</b>	<b>220,407,550</b>

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

## **Audited Annual Financial Statements**

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

## **Required Notices**

The following table lists each material event and required notice defined in 15c2-12(b)(5)(i)(C) and (D). Since none occurred, the table confirms that no notice to the Nationally Recognized Municipal Securities Information Repository or the Municipal Securities Rule Making Board was required for any of the material events related to the Series 2005, 2006, 2008, 2009, and 2011 Water and Sewerage Bonds. This confirms compliance with SEC Rule 15c2-12(b)(5)(i)(C) and (D) from July 3, 1995, to the date of this report.

Rule Sec.	Description	Series 2005	Series 2006	Series 2008	Series 2009	Series 2011
(C)(1)	Principal and interest payment delinquencies	None	None	None	None	None
(C)(2)	Non-payment related defaults	None	None	None	None	None
(C)(3)	Unscheduled draws on debt service reserves reflecting financial difficulties	None	None	None	None	None
(C)(4)	Unscheduled draws on credit enhancements reflecting financial difficulties	None	None	None	None	None
(C)(5)	Substitution of credit or liquidity providers, or their failure to perform	None	None	None	None	None
(C)(6)	Adverse tax opinions or events affecting the tax-exempt status of the security	None	None	None	None	None
(C)(7)	Modifications to rights of security holders	None	None	None	None	None
(C)(8)	Bond calls	None	None	None	None	None
(C)(9)	Defeasances	None	None	None	None	None
(C)(10)	Release, substitution, or sale of property securing repayment of the securities	None	None	None	None	None
(C)(11)	Ratings changes	None	None	None	None	None
(D)	Failure to provide annual financial information or operating data in a timely manner	None	None	None	None	None

## Other Information

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

## **Prepared by:**

Department of Financial Services

## **Data Compilation:**

Accounting and GL Division  
Financial Services

## **Editing, Layout and Design, and Cover Photographs:**

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## **Created:**

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## **Sugarloaf Parkway Extension**

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### **Section 1**

Section 1 opened to traffic on February 2, 2010, extending Sugarloaf Parkway from Grayson Highway/SR 20 to New Hope Road.

### **Section 2**

Sugarloaf Parkway met Martins Chapel Road/Bramlett Shoals Road on December 14, 2010.

### **Section 3**

The Section 3 extension over SR 316 opened to traffic on December 11, 2012. The project, which added a bridge overpass and entrance and exit ramps, completed the 6-mile extension from SR 20 south of Lawrenceville to SR 316 in the Dacula area.

The Sugarloaf Parkway Extension was primarily funded by the 2009 SPLOST program.

## **Questions about this document?**

Contact the Department of Financial Services at 770.822.7850

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