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COMPREHENSIVE ANNUAL  
**FINANCIAL REPORT**  
YEAR ENDED DECEMBER 31, 2015

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G E O R G I A



# 2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2015

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# Table of Contents

## Introductory Section (Unaudited)

Letter of Transmittal	1
Profile of the Government	3
Assessing the County's Economic Condition	4
Accomplishments	10
Awards and Acknowledgements	12
Certificate of Achievement for Excellence in Financial Reporting	13
Gwinnett County Organizational Chart	14
County Administration, Department Directors, Elected Officials, and Judicially Appointed Officials	15
Department of Financial Services Organizational Chart	16
Accounting Division	17

## Financial Section

Independent Auditors' Report	18
Management's Discussion and Analysis	21
Overview of the Financial Statements	21
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 and Next Year's Budgets and Rates	34
Requests for Information	34
Basic Financial Statements	
Statement of Net Position	35
Statement of Activities	36
Governmental Funds Balance Sheet	37
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	38

**Financial Section – continued**

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	40
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis)	41
Fire and EMS District Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis)	42
Police Services District Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis)	43
Proprietary Funds Statement of Net Position	44
Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position	45
Proprietary Funds Statement of Cash Flows	46
Fiduciary Funds Statement of Fiduciary Net Position	47
Pension (and Other Employee Benefit) Trust Funds Statement of Changes in Fiduciary Net Position	48
Component Units Combining Statement of Net Position	49
Component Units Combining Statement of Activities	50
Notes to the Financial Statements (The Notes to the Financial Statements are an integral part of the “liftable” basic financial statements)	51
Required Supplementary Information	
Defined Benefit Pension Plan	101
Other Post-Employment Benefits	104
Other Supplementary Information	
Non-Major Governmental Funds	105
Other Governmental Funds Combining Balance Sheet	108
Other Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110
Budgetary Compliance	113
Special Revenue Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Budget Basis)	114
Capital Projects Funds Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Budget Basis)	120
Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Budget Basis)	122
Grant Fund Schedule of Revenues and Expenditures, Budget and Actual (Budget Basis)	123
Other Enterprise Funds	124
Other Enterprise Funds Combining Statement of Net Position	125
Other Enterprise Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	126
Other Enterprise Funds Combining Statement of Cash Flows	127

**Financial Section – continued**

Internal Service Funds	128
Internal Service Funds Combining Statement of Net Position	129
Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	130
Internal Service Funds Combining Statement of Cash Flows	131
Fiduciary Funds	132
Pension (and Other Employee Benefit) Trust Funds Combining Statement of Fiduciary Net Position	133
Pension (and Other Employee Benefit) Trust Funds Combining Statement of Changes in Fiduciary Net Position	134
Agency Funds Combining Statement of Fiduciary Assets and Liabilities	135
Agency Funds Combining Statement of Changes in Fiduciary Assets and Liabilities	136

**Statistical Section (Unaudited)**

Net Position by Components – Last Ten Fiscal Years	S-1
Changes in Net Position – Last Ten Fiscal Years	S-2
Fund Balances, Governmental Funds – Last Ten Fiscal Years	S-4
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal 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 Fiscal 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 Fiscal Years	S-17
Capital Asset Statistics by Function – Last Ten Fiscal Years	S-18

## Single Audit Section

Single Audit Section – Index	SA-1
Schedule of Expenditures of Federal, State, and Local Awards	SA-2
Notes to Schedule of Expenditures of Federal, State, and Local Awards	SA-16
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 Accounting Standards	SA-17
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-19
Schedule of Findings and Questioned Costs	SA-21

## Disclosure Section (Unaudited)

Continuing Annual and Event Disclosures	D-1
Agreement and Affected Bond Issue	D-1
Description of the Water and Sewerage System	D-2
The Water System	D-2
The Sewerage System	D-10
Annual Financial Information	D-14
Gwinnett County Water and Sewerage System and Authority Summary of Combined Operating Results	D-15
Security for the Bonds	D-16
Annual Debt Service Requirements	D-18
Audited Annual Financial Statements	D-18
Other Information	D-18

# 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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June 22, 2016

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, 2015.

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, 2015, were free of material misstatement. The independent audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded the statements were fairly presented in conformity with GAAP and issued an unmodified opinion. The independent auditor’s report is presented as the first component of the financial section of the report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The MD&A contains a narrative overview and analysis of the financial activities of the County. Gwinnett County’s MD&A can be found on pages 21 – 34 immediately following the independent auditors’ report. This transmittal letter, which is designed to assist users in assessing the government’s financial condition, should complement the MD&A.



The financial statements contained in this report were impacted by several major budgetary initiatives. Through the budget planning process, the following factors were identified as major factors affecting the 2015 budget: 1) slight growth projected in the tax digest; 2) concerns about workforce retention and recruitment; 3) restoration of certain services cut during the recession; and 4) financial stability. To address workforce retention and recruitment concerns, a 4 percent pay-for-performance compensation adjustment was included in the budget. The budget also considered funding requests, called “decision packages,” from departments. Some of the key decision packages funded in 2015 included a new fire station, roadside maintenance services, transit service expansion, and additional animal control and judiciary support personnel.

The County’s reserve policies also affected the fiscal year 2015 budget. The budget was developed to ensure the County’s reserve policies are met. Separate reserve policies are in place for the General Fund, Special Revenue Funds, and Enterprise Funds. More information on the County’s reserve policies can be found in the 2016 Budget Document (Section II, page 28), which is available online at [www.gwinnettbudget.com](http://www.gwinnettbudget.com). Also see **Note I** (O. Fund Balances) on page 59 of this report.

Cost savings measures, such as requiring justification for specific commitment items and continuing the 90-day job vacancy policy, remained priorities in 2015. The County’s policy of holding vacant positions unfilled for at least 90 days had a significant impact on the financial statements in this document, saving the County approximately \$8.8 million in 2015.



## Profile of the Government

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

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

### Population

According to the U.S. Census Bureau's population estimates released in March 2016, Gwinnett County's population was estimated at 895,823 in 2015, and its population is expected to reach more than one million by the year 2020. Gwinnett's talented labor force, premier schools, rich cultural diversity, award-winning parks and recreation facilities, and affordable real estate continue to attract many businesses, newcomers, and visitors to the area. Gwinnett added an estimated 18,097 residents from July 1, 2014 to July 1, 2015, a growth rate of approximately 2.1 percent.

### Government Structure and Services Provided

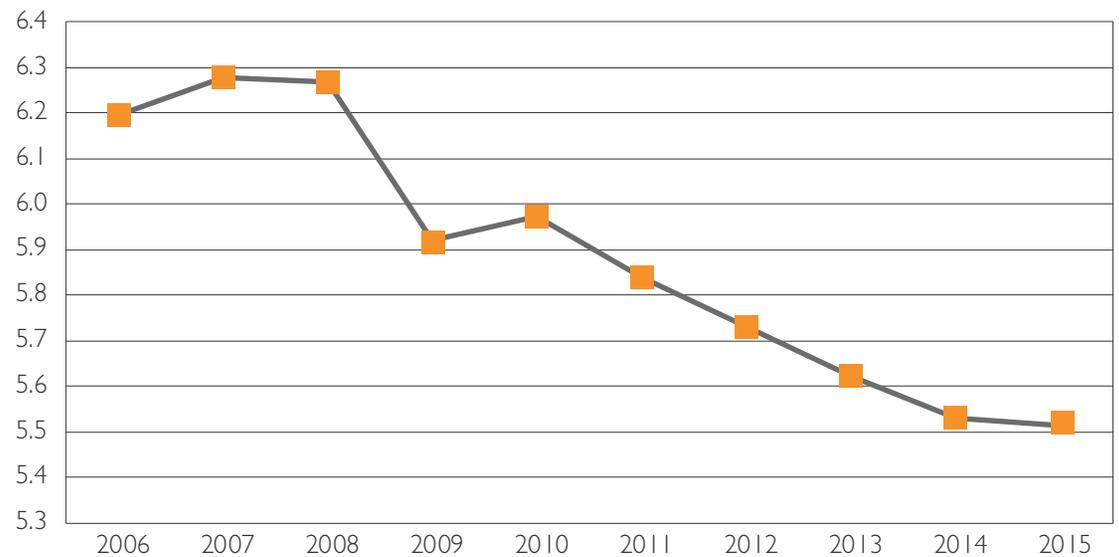
The County's governing authority consists of a five-member Board of Commissioners, including a full-time chairman elected at-large and four part-time commissioners elected within districts. The County Administrator reports to the Board of Commissioners and manages the County's daily operations. The County also has 23 other elected officials, eight judicially-appointed officials, and four retired senior judges. A complete list is located on page 15.

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

### Bond Rating

Gwinnett County has maintained AAA bond ratings from all three rating agencies since 1997. The triple-AAA rating validates that Gwinnett's financial position is strong, with sound general fund reserves and excellent long-term financial planning strategies. Gwinnett is in an elite group of approximately 43 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.

**Ratio of Authorized Positions Per 1,000 Population**



Source: U.S. Census Bureau

## 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

Housing market improvements, increasing construction activity, and an improving labor market are signs that Gwinnett County is recovering from the economic recession.

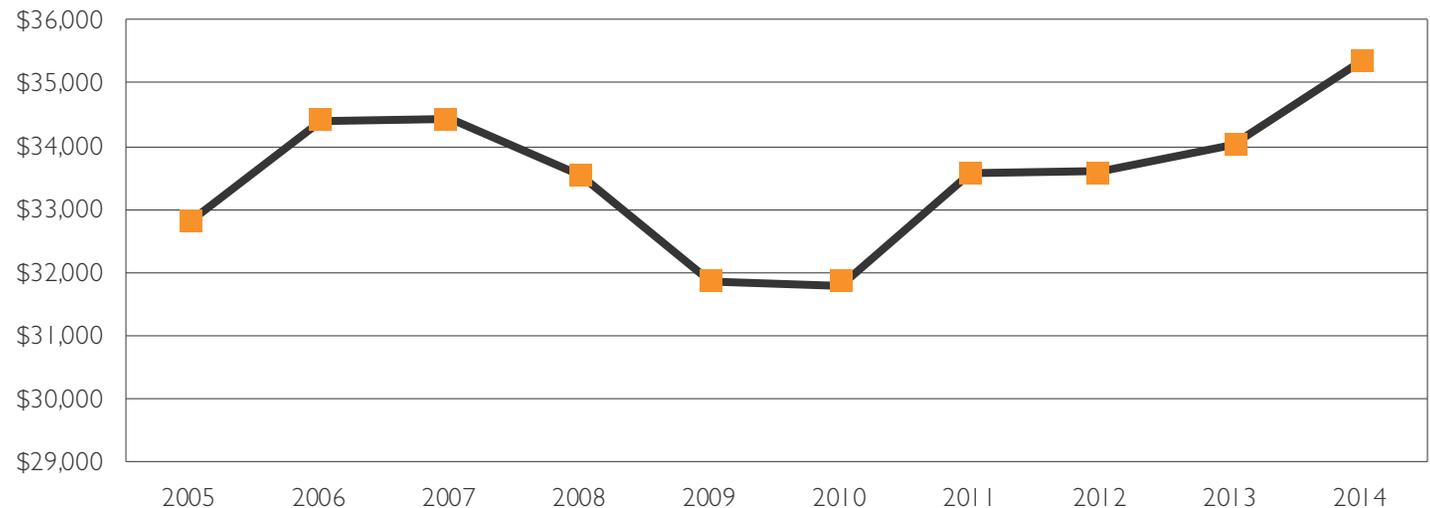
The strength of the housing market is a key indicator of the county's economic vitality. The county's housing market experienced a significant amount of distress during the economic recession—foreclosures rose dramatically while property values declined, causing property tax revenues to decline. As the economy began to improve in 2014, the number of foreclosures decreased, construction of new homes returned, and the majority of Gwinnett County homeowners saw their property values improve. As a result, the digest has grown, and the County expects this positive trend to continue with slight digest growth projected in 2016. The average home value in Gwinnett County rose approximately 21 percent from 2013 to 2015, increasing from \$148,720 in 2013 to \$180,000 in 2015.

The job market in Gwinnett County continues to fare better than many counties across the Atlanta region and the state of Georgia. According to the Georgia Department of Labor, Gwinnett County had a preliminary October 2015 unemployment rate of 5.0 percent, which was lower than both the Atlanta Metropolitan area (5.4 percent) and the state (5.7 percent). Economic development programs like Partnership Gwinnett, a public-private initiative spearheaded by the Gwinnett Chamber that is committed to job creation and retention, professional development, and education, have helped support job growth by bringing new businesses to Gwinnett County. According to the U.S. Bureau of Labor Statistics, Gwinnett County achieved a job growth rate of 3.7 percent from March 2014 to March 2015, ranking it 45th among the largest 343 counties in the United States.

Per capita personal income, a measure of standard of living, is another useful indicator of the County's economic well-being. Prior to 2008, per capita personal income rose for many years. From 2008 to 2010, with the economic recession underway, residents saw their incomes decline. In 2011, per capita personal income began to improve and has continued to improve since then, exceeding 2006 and 2007 (pre-recession) levels by 2014.

### 2005 – 2014 Per Capita Personal Income Gwinnett County, Georgia

Source: U.S. Bureau of Economic Analysis



## Long-Term Financial Planning and Economic Development

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

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

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

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

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

In addition to the LTFP, the County has developed other long-term planning tools to help map out its future such as the 2030 Unified Plan. The Board of Commissioners adopted the 2030 Unified Plan in February 2009. This plan is guiding the County's land use policies, growth, and infrastructure development through the 2030 plan horizon, and is an innovative roadmap for smart growth in Gwinnett.

A Unified Plan update began in mid-2014 and is anticipated to be completed in 2016. The update has relied heavily on stakeholder input to review community goals, needs, and opportunities to assist staff in identifying new policies and implementation steps to be incorporated into the 2030 Unified Plan, all of which will be organized around the same central themes from the original plan—maintaining economic development and fiscal health, fostering redevelopment, maintaining mobility and accessibility, providing more housing choices, and keeping Gwinnett a preferred place. Included in the plan update are revised demographic forecasts, a new character area, revised policies for existing character areas, and changes to the future development map.





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

### **Tax Digest**

After several years of declining tax revenue resulting from the economic recession, the tax digest is gradually recovering. From 2008 to 2013, County revenue dropped \$245 million, and the County was challenged by the need to balance core services with declining tax revenue. County officials believe the 2013 tax digest represented the bottom of the drop in overall property tax values in Gwinnett. With property values stabilizing and construction activity increasing, the County saw 8.1 percent growth in the tax digest in 2014, and additional 1.4 percent growth in 2015. The 2014 and 2015 growth rates were impacted by the inception of the motor vehicle title ad valorem tax (TAVT) implemented in 2013, which has caused motor vehicle taxes to decline as citizens transition from the old method of paying the annual "birthday tax" for their vehicles to TAVT (paying a one-time fee at the time a title is transferred). From 2014 to 2015, motor vehicle ad valorem tax revenue decreased by \$2.8 million in the General Fund. If the motor vehicle portion was removed from the year-over-year calculation, the countywide digest would have increased 4 percent instead of 1.4 percent.

### **Rising Health Care Costs**

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

The Wellness Incentive Program continues to benefit employees and provides a way for the County to encourage healthy habits. The most favorable medical insurance premium rates continue to be dependent on participation in the Wellness Program. Funding for Health Savings Accounts and Health Reimbursement Arrangements are based on Wellness Program activity participation and continue to be effective for encouraging healthy behavior.

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

As a result of the change to our strategy for 2015 and our efforts at encouraging healthy behavior, we sustained a lower increase in health benefit costs than the national trend for both the self-insured and fully-insured plans. The County's costs continue to increase, as do health care costs for most employers nationwide. However, our wellness program, wellness center, and efficient management of vendors has resulted in less than a 4 percent increase in premiums for active employees in 2016, which is below the national trend.



### **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 the projected service time of remaining participants. With the County's commitment to reduce the unfunded pension and OPEB liabilities and increase the funded ratio of these plans, budget savings in the recent past have been contributed to pay down accrued liabilities.

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

### **Environmental Sustainability**

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

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

Some of the methods Gwinnett County has taken towards environmental sustainability include:

- Building Leadership in Energy and Environmental Design (LEED) certified facilities, including the Gwinnett Environmental and Heritage Center, 911 Center, the Police Training Facility, the Senior Services Center, the Hamilton Mill Library, and the Yellow River Water Reclamation Facility Operations Center
- Retrofitting all traffic signals with LED bulbs
- Using compressed natural gas, an alternative to gasoline, for all local transit routes
- Hosting annual recycling events. In 2015, the Solid Waste Division held two successful recycling events collecting 30 tons of paper, 23 tons of electronics, 12 tons of tires, 4,831 gallons of paint, 804 pairs of sneakers, 866 pounds of textiles, and 601 toner cartridges.

More information about Gwinnett County's environmental sustainability efforts is available on the [Sustainable Gwinnett](#) page on the County's website.

## Capital Improvement Program

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

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

## Internal Controls

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

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

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

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





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

### **Budgetary Controls**

No later than December 1 of each year, the Chairman of the Board of Commissioners submits a proposed budget for the ensuing calendar year for each County fund. The Board reviews the document, meets the legal requirements for advertising the budget and for holding public hearings, and then adopts the annual financial plan at the first regularly-scheduled Commissioner meeting of the year.

Sound financial management and legal compliance require effective budget controls. State statutes require the County to operate under an annual balanced budget adopted by local resolution or ordinance. A budget ordinance or resolution is balanced when the sum of the estimated revenues and appropriated fund balances/net position is equal to appropriations. By law, expenditures may not exceed appropriations at the department level, within each fund. An automated funds-availability verification process provides operational control of departmental budgets. More details are in **Note 2** of the Notes to Financial Statements.

### **Internal Audit**

Internal Audit is currently housed as a separate, independent function within the Performance Analysis Division (PAD). Internal Audit works directly with the County Administrator's office on a daily basis to provide independent and objective opinions of various business activities throughout the County. The main focus of the audit function is to provide reviews and evaluations of internal controls across all departments by performing a range of audit types which include financial, compliance, and operational reviews. Results for each audit are provided to management in the form of a Final Audit Report.

### **Performance Management**

The Balanced Scorecard (BSC) is a balanced approach to performance measurement that monitors the strategic success of an organization through the tracking of key performance indicators within the perspectives of organizational learning and growth, internal process efficiency and effectiveness, financial stewardship, and citizen/customer engagement. In early 2007, Gwinnett County selected the BSC framework for its strategic planning and management system. Scorecards are in place for all departments and agencies under the County Administrator's purview, as well as the Law Department. The scorecards are used to align activities and resources with organizational goals and to improve internal communication and decision-making by providing performance feedback on critical priorities. PAD is responsible for the oversight of this program, and it is managed as a separate, independent function within the division.

## Accomplishments

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

### *"Enjoy essential economic opportunities"*

Gwinnett County caters to domestic and international businesses of all sizes and works to promote the industries of advanced communications, information technology, manufacturing/supply chain management, healthcare and life sciences, and corporate headquarters/professional services. Gwinnett's assets in these related sectors are strong, and efforts are made to ensure companies continue to be satisfied with their Gwinnett location, expand their presence in the county, and grow additional local economic opportunities.

Gwinnett County is home to more than 500 international companies. Of those, 129 have a headquarters or regional headquarters in the county. According to the Gwinnett Chamber of Commerce's senior vice president for economic development and Partnership Gwinnett, the County is home to 25 percent of Chinese companies and 40 percent of Italian companies in Georgia.

Indicative of Gwinnett County's commitment to the research and technology industry is the expansion of the research and development corridor area along Highway 316 to the Barrow County line. The County has also approved a mixed-use office and retail development on Highway 316 near Dacula and Sugarloaf Crossing. In February 2015, plans were circulated for Comcast to relocate its regional headquarters to Peachtree Corners. In late 2015, Suniva, a solar cell manufacturer, announced that the company planned an expansion of its operations that will create 500 new jobs. Over the next four years, Kaiser Permanente plans to establish a \$51 million customer service center in Gwinnett County, adding more than 600 jobs in the county.

### *"Safe neighborhoods"*

The Gwinnett County Police Department is a nationally accredited and rapidly growing police agency. The department currently has an authorized strength of 784 sworn officers supported by 319 civilian employees. The County is committed to providing quality public safety for residents and businesses. In 2015, the Police Department answered more than 500,000 E-911 calls. Thanks to their commitment, the County saw a 4.3 percent decrease in the Uniform Crime Reports (UCR) Part-I crime rate in 2015, and 94 percent of residents surveyed reported feeling safe in their neighborhoods.

To deter and reduce crime in a given community, the Gwinnett County Police Department established a neighborhood watch program called C.O.P.S. (Community Oriented Police Service) in 1988. The goal of the C.O.P.S. program is to enhance the quality of community life through the establishment of an active partnership between residents and police. There are currently 239 active C.O.P.S. communities in the county and numerous others in the process of becoming C.O.P.S. communities. The program works by encouraging active involvement by citizens in the watching, caring, and protection of their neighborhoods. This active involvement increases the safety of the lives and property of its residents.

### *"Plentiful greenspace and recreational facilities"*

Parks and Recreation Operations Grounds Maintenance staff maintains 175 multi-purpose sports fields, including the renovation of more than one million square feet of sports turf, 68 playgrounds, and 128 miles of trails on a total of 9,646 acres of the County's parkland.

In keeping with the County's commitment to preserving greenspace, Gwinnett County acquired its newest park in 2015 by purchasing the 223-acre Simpsonwood property from the North Georgia Conference of the United Methodist Church. Located in Peachtree Corners, the parkland allows the County to preserve approximately 2,140 linear feet of river frontage along the Chattahoochee River and meets a need for a large open park space in the western part of the county.

In 2015, park facilities hosted more than 11,530 rentals with 721,170 rental participants; 7,150 classes, programs, camps, and events offered with 82,965 enrolled; aquatic facilities saw more than 471,480 in general admissions; and adult athletics had more than 14,625 participants, including a successful first full-year facilitation of the Atlanta Cricket League at adult softball locations. Additionally, Parks and Recreation Operations offered 241 summer camps with 4,927 campers.

Parks and Recreation Operations continues the use of alternative labor resources, which include volunteers, community service workers, and inmate labor to assist in maintaining and sustaining parks, facilities, and programs throughout the county. In 2015, the division recorded 16,767 hours from community service workers, 874,868 hours from volunteers, and 23,229 hours from inmate labor.

*“Making life better for our citizens”*

Parks and Recreation Operations continues to implement initiatives toward the 2030 Unified Plan to make Gwinnett a “preferred place,” including identifying new programs to offer; developing programs to increase the number of cultural activities; coordinating with Gwinnett County Public Schools, Buford City Schools, and nonprofit organizations; and developing improved links to various ethnic communities.

Gwinnett County Health and Human Services provides senior citizens, families, and individuals with opportunities to participate in quality services to improve their health and well-being. The division offers educational resources to Gwinnett residents through a variety of classes, events, and workshops for all ages at its service centers and senior centers, and its efforts to make life better for citizens are numerous. Some of Health and Human Services’ achievements in 2015 include: adding a daytime women’s support group at the Buford Human Services Center; implementing a program to prevent homelessness by providing rent and/or mortgage payment assistance, and adding seven additional multicultural programs and six additional computer classes at the Norcross Human Services Center.

The Department of Transportation continues to improve residents’ quality of life through transit system enhancements that make transportation easily accessible to residents. Gwinnett County Transit operates seven express bus routes during morning and afternoon peak travel times and five local bus routes all day Monday through Friday. The express routes allow transit customers to park their cars at County Park and Ride lots and take transit to destinations in downtown and midtown Atlanta. The local routes are complemented by door-to-door *Americans with Disabilities Act (ADA)* paratransit service for ADA-eligible customers unable to use the local bus. In 2015, Saturday local service was restored to all five local bus routes along with two express bus trips from the Indian Trail Park and Ride lot. In 2016, three new express routes will be created. Two routes will run intra-county and one will run inter-county. All three new Express routes will have a limited number of stops and will run during the work week.

*“Partnering with Others in our Community”*

Partnerships are the backbone of the Department of Community Services. Without community partnerships, Gwinnett County would not be able to provide the many services offered. In 2015, 1,330 public and private organizations offered a service/program or provided manpower/funding to enhance a service/program within the Department of Community Services. For example, AARP served more than 1,600 citizens on tax preparation and assistance in 2015. In partnership with Afterschool Alliance, Challenge Island, Gwinnett YMCA, Gwinnett 4-H, Gwinnett Public Library, Children’s Healthcare of Atlanta, and GUIDE, Inc., Parks and Recreation hosted the second Lights on Afterschool Event with over 800 in attendance. 45,908 athletes were involved in youth sports through 29 youth athletic associations. Through a partnership with Live Healthy Gwinnett, Parks and Recreation implemented Healthy Eating and Physical Activity (HEPA) standards for summer camps. Health and Human Services hosted three public events reaching 2,634 clients in partnership with Amerigroup and Four Corners Primary Care Centers at the Norcross Human Services Center. The Centerville Community Center and its partners collected over 3,000 pounds of food benefiting the Southeast Gwinnett Cooperative Ministry. A partnership with Gwinnett County Public Schools allowed the Cooperative Extension Service to continue to offer the Gwinnett 4-H Program to students. Thanks to funding from the EHC Foundation, the Environmental and Heritage Center hosted seven special exhibitions.



## Awards and Acknowledgements

Gwinnett County received 69 awards in 2015. The list below includes only a handful of awards won in 2015. A complete list can be found at [www.gwinnettcountry.com](http://www.gwinnettcountry.com).

- *Plan First Community* from the Georgia Department of Community Affairs
- *Distinguished Budget Presentation Award* and *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association
- *Achievement of Excellence in Procurement Award* from the National Purchasing Institute (17<sup>th</sup> consecutive year; only 47 U.S. counties received this award in 2015) and *Outstanding Agency Accreditation Achievement Award* from the National Institute of Governmental Purchasing and Institute for Public Procurement (held since 2000; only 131 governments have attained this certification)
- *Top 10 Court Websites Award* to the Clerk of Court from the National Association for Court Management
- *Gold MarCom Award* for the Tax Commissioner's website from the Association of Marketing and Communication Professionals
- *Historic Preservation Award* for Chesser-Williams House from the Georgia Association of Museums and Galleries and The Georgia Trust
- Received *Outstanding Greenspace Award* for Little Mulberry Park from the Georgia Urban Forest Council
- *Gwinnett Chamber Valor Awards* to Fire and Police
- *Citizen Engagement Award* from the Governing Institute
- *Outstanding Public Member Agency Award* and *Top Engineer* from the Intelligent Transportation Society of Georgia
- *Natural Environmental Outstanding Civil Engineering Awards* for the Allenhurst Phase II Stream Restoration Project from the 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 thank independent auditors Mauldin & Jenkins Certified Public Accountants, LLC, for their assistance. We also extend appreciation and thanks to Chairman Charlotte J. Nash, the District Commissioners, and County Administrator Glenn P. Stephens for their support, guidance, and advice in planning and conducting the County's financial activities in a responsible and progressive manner. Our continued solid financial position is a tribute to their dedication.

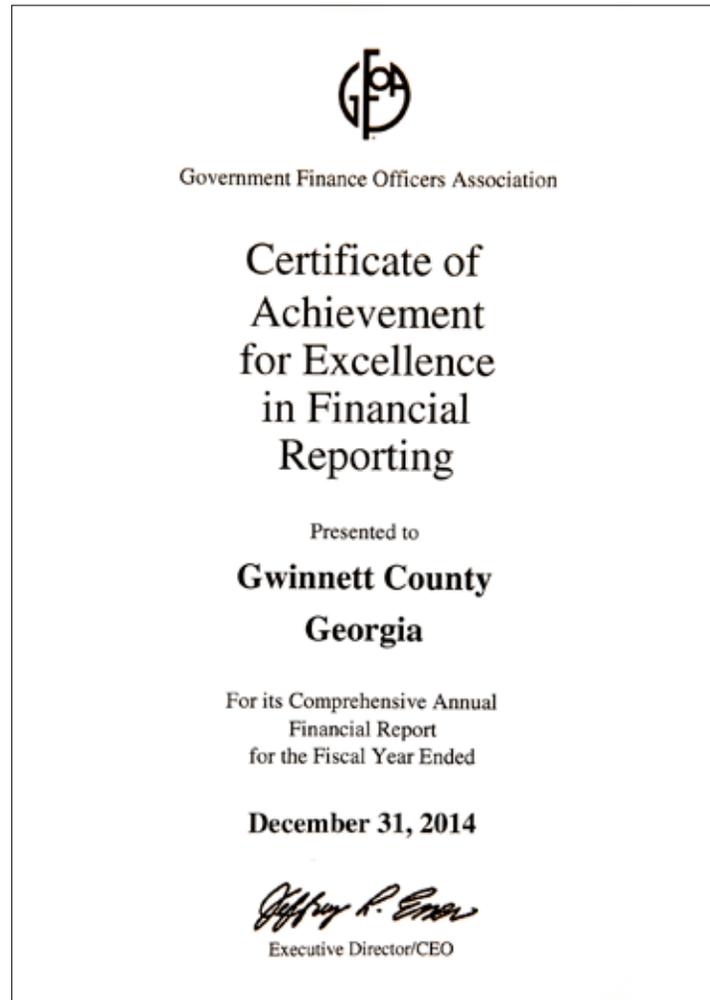
Respectfully submitted,



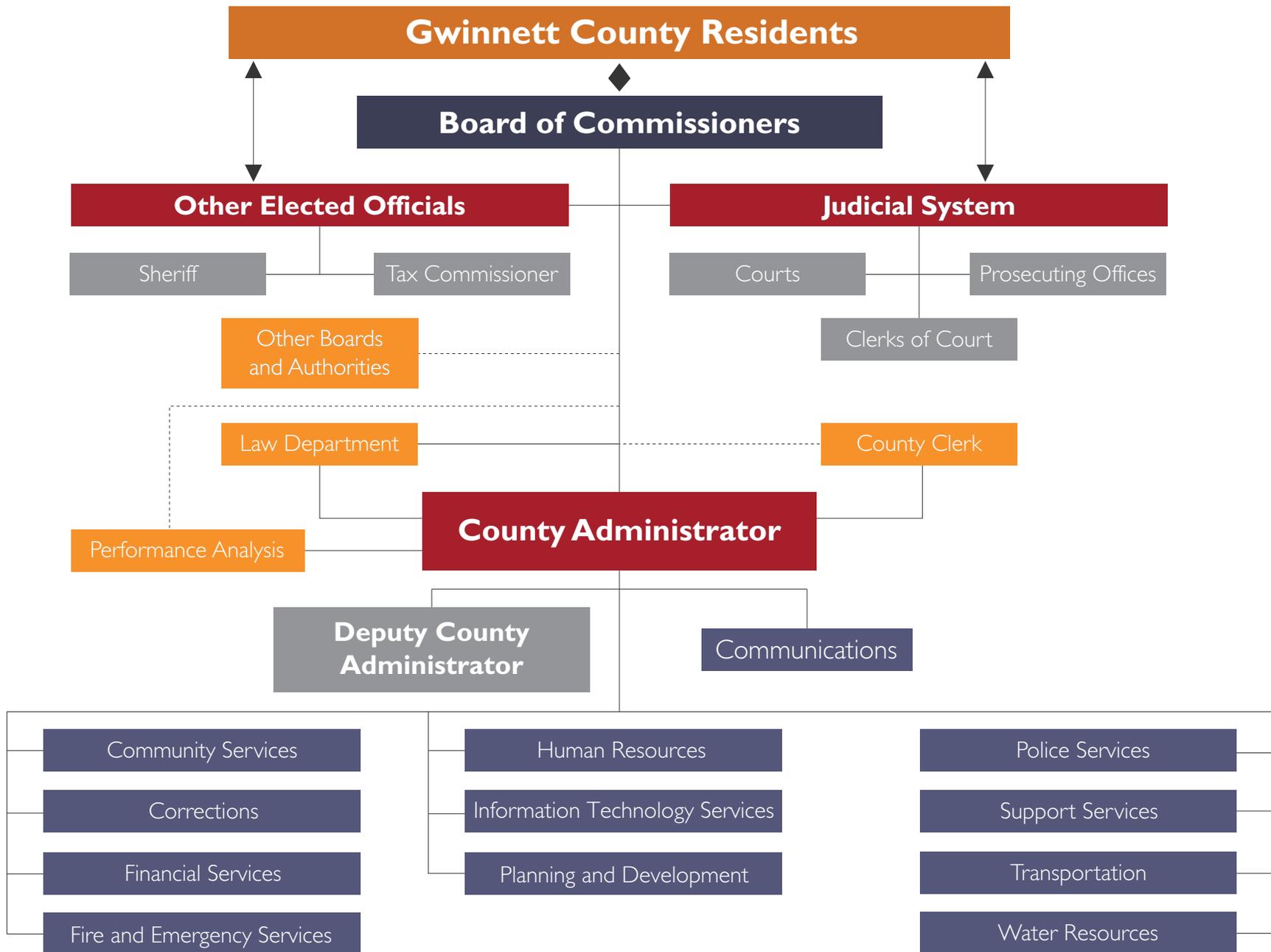
Maria B. Woods  
CFO/Director of Financial Services

## Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Gwinnett County for its comprehensive annual financial report for the fiscal year ended December 31, 2014. This was the 34<sup>th</sup> consecutive year Gwinnett County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



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



## County Administration & Department Directors

### County Administrator

Glenn P. Stephens

### Deputy County Administrator

Phil Hoskins

### County Attorney

Bill Linkous

### Community Services

Phil Hoskins, Director

### Corrections

Darrell Johnson, Warden

### Financial Services

Maria Woods, CFO/Director

### Fire and Emergency Services

Chief Casey Snyder

### Human Resources

Scott Fuller, Director

### Information Technology Services

Abe Kani, Director/CIO

### Planning and Development

Kathy Holland, Acting Director

### Police Services

Chief Butch Ayers

### Support Services

Angelia Parham, Director

### Transportation

Alan Chapman, Director

### Water Resources

Ron Seibenhener, Director

## Elected Officials

### Clerk of Court

Richard T. Alexander Jr.

### District Attorney

Daniel J. Porter

### Chief Magistrate Court Judge

Kristina H. Blum

### Probate Court Judge

Christopher A. Ballar

### Sheriff

R.L. "Butch" Conway

### Solicitor

Rosanna Szabo

### Tax Commissioner

Richard Steele

### State Court Judges

Pamela D. South, Chief Judge

Joseph C. Iannazzone

Carla E. Brown

John F. Doran Jr.

Emily J. Brantley

Shawn F. Bratton

Howard E. Cook, Senior Judge

Robert W. Mock Sr., Senior Judge

### Superior Court Judges

Melodie Snell Conner, Chief Judge

Debra K. Turner

R. Timothy Hamil

Ronnie K. Batchelor

Thomas N. Davis Jr.

Warren P. Davis

Karen E. Beyers

Kathryn M. Schrader

George F. Hutchinson III

Randolph G. Rich

K. Dawson Jackson, Senior Judge

Fred A. Bishop Jr., Senior Judge

## Judicially Appointed Officials

### Juvenile Court Judges

Robert V. Rodatus, Presiding Judge

Stephen E. Franzén

Robert Waller

### Recorder's Court Judges

Michael Greene, Chief Judge

Rodney S. Harris

Patricia Muise

### Clerk of Recorder's Court

Jeff C. West

### Court Administrator

Philip M. Boudewyns

**gwinnett**county  
Department of **Financial Services**

Director's Office

**CFO/Department Director**

Office Services Coordinator

Administrative Support  
Associate II

Project Coordinator

Project Coordinator

**Deputy Director**

Purchasing Division

Treasury Division

Tax Assessor Division

**Deputy Director**

Accounting Division

Budget and Grants  
Management Division

Strategic Business  
Development Division

## Accounting Division

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

Dana **Brunson**, Financial Analyst  
Alicia **Carmon**, Financial Analyst  
Deirdre **Diggs**, Financial Analyst  
Cindy **Knapp**, Financial Analyst  
Suhelly **Lopez**, Financial Analyst  
Anna **Payne**, Financial Analyst  
Erika **Rivera**, 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, 2015, 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 12%, 33%, and 45%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gwinnett County Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • [www.mjcpa.com](http://www.mjcpa.com)

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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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund, the Fire and EMS District Fund, and the Police Services District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Notes 1 and 12, Gwinnett County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as of January 1, 2015. This standard significantly changed the accounting for the County's net pension liability and related disclosures. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the County's Net Pension Liability and Related Ratios, the Schedule of County Contributions, and the Schedule of Funding Progress, on pages 21 through 34, pages 101, 102, and 104, 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*

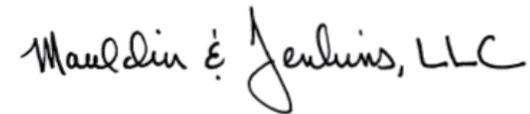
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and schedules; the Schedule of Expenditures of Federal, State, and Local Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the introductory, statistical, and disclosure sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules and the Schedule of Expenditures of Federal, 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 June 22, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Atlanta, Georgia  
June 22, 2016

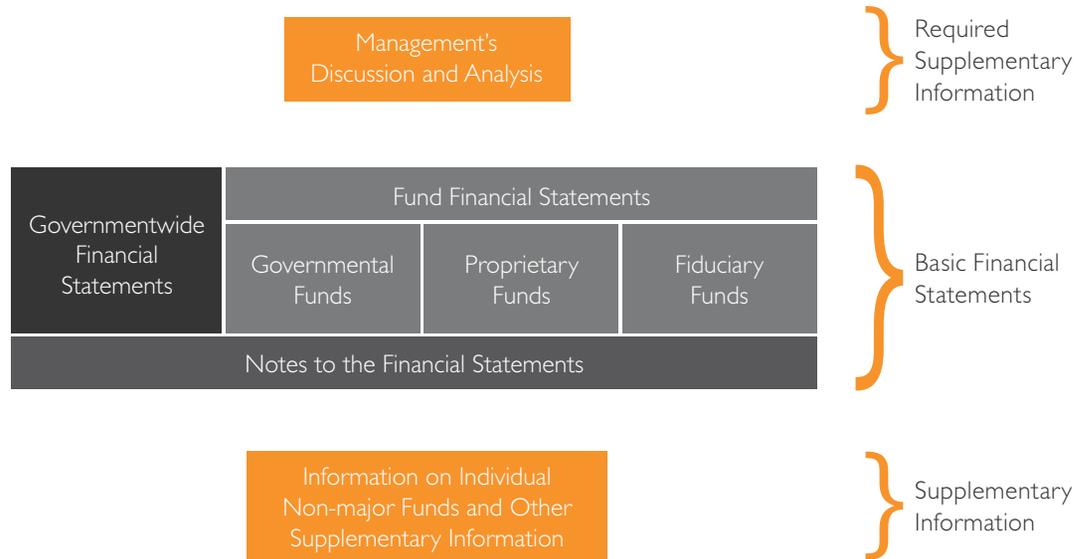
# Management's Discussion and Analysis



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, 2015. 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 52 of this report.

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

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

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

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

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

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

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

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

The County maintains separate governmental funds to account for the following activities: General; Special Revenue (Fire and Emergency Medical Services District, Police Services District, Street Lighting, Speed Hump, Authority Imaging, Juvenile Court Supervision, Tree Bank, Tourism, Stadium, Sheriff Special Justice, Sheriff Special Treasury, Sheriff Special State, Police Special Justice, Police Special State, Crime Victims Assistance, District Attorney Federal Asset Sharing, Corrections Inmate Welfare, Sheriff Inmate, E-911, Loganville Emergency Medical Services District, Development and Enforcement Services District, Recreation, Jimmy Carter Boulevard Tax Allocation District (TAD), Indian Trail TAD, Park Place TAD, and Grant); Capital Projects (2005 Sales Tax, 2009 Sales Tax, 2014 Sales Tax, and Other Capital Projects); and Debt Service. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire and Emergency Medical Services District, Police Services District, Other Capital Projects, 2005 Sales Tax, 2009 Sales Tax, and 2014 Sales Tax Funds, all of which are considered to be major funds. Data from the other (non-major) governmental funds are combined into a single, aggregated column.



Governmental funds are reported on the modified accrual basis of accounting. Information on the modified accrual basis of accounting can be found in **Note 1** on page 52 of this report.

Gwinnett County adopts an annual appropriated budget for its general, special revenue, debt service, and capital projects funds. A budgetary comparison statement has been provided for the General Fund, Fire and EMS District Fund, and Police Services District Fund. These statements are found on pages 41 – 43. The basic governmental fund financial statements can be found on pages 37 – 40.

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

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

The basic proprietary fund financial statements, which are reported on the accrual basis of accounting, can be found on pages 44 – 46 of this report.

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the governmentwide financial statements because the resources of those funds are not owned by or available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds, and their financial statements are reported on the accrual basis of accounting as well. Gwinnett County maintains seven fiduciary funds, called agency funds, for Tax Commissioner, Clerk of the Courts, Recorder's Court, Sheriff, Probate Court, Juvenile Court, and Corrections. The agency funds are presented in total in one column in the Statement of Fiduciary Net Position on page 47. The County also maintains fiduciary funds for Pension and Other Post-Employment Benefits (OPEB) trust funds. These funds are aggregated and presented on pages 47 and 48.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the governmentwide and fund financial statements. The notes to the financial statements can be found on pages 52 – 100 of this report.

## Financial Highlights

- Gwinnett County's assets and deferred outflows of resources exceeded liabilities at December 31, 2015 by \$6,455,456,000 (net position). Of this amount, \$603,453,000 (unrestricted net position) may be used to meet the government's ongoing obligations to residents and creditors.
- As of December 31, 2015, the County's governmental funds reported combined ending fund balances of \$938,645,000, an increase of \$72,250,000 when compared to the prior year. This increase is largely attributable to delayed capital expenditures. Of the \$938,645,000 total governmental fund balance, \$123,809,000 remains in the General Fund as unassigned.
- At December 31, 2015, the County's General Fund reported a fund balance of \$145,219,000, an increase of \$1,686,000, or 1.2 percent, from last fiscal year.
- As of December 31, 2015, the County's enterprise funds reported a combined ending net position of \$3,129,650,000, an increase of \$137,722,000 when compared to the prior year. Of the \$3,129,650,000 total enterprise fund balance, \$312,069,000 remains in the funds as unrestricted. The largest enterprise fund is the Water and Sewerage Fund, which is discussed in more detail later in the business-type activities section.
- The County implemented GASB Statement 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015, and as a result many functional areas in the governmental activities, as well as the business-type activities, recognized an increase in expenses. The County recorded net pension liabilities of \$267,206,000 and \$37,129,000 for the governmentwide and business-type activities, respectively. More information can be found in **Note 12** on pages 89 – 94.



## 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 \$6,455,456,000 at the close of the most recent fiscal year. This represents an increase of \$207,404,000, or 3.3 percent, from fiscal year 2014.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014 (restated)	2015	2014 (restated)	2015	2014 (restated)
Current and other assets	\$ 1,144,442	\$ 1,065,027	\$ 446,738	\$ 372,881	\$ 1,591,180	\$ 1,437,908
Capital assets	2,511,585	2,465,202	3,596,793	3,589,788	6,108,378	6,054,990
Total assets	3,656,027	3,530,229	4,043,531	3,962,669	7,699,558	7,492,898
Deferred outflows of resources	126,224	319	28,288	14,081	154,512	14,400
Long-term liabilities outstanding	396,267	231,283	854,504	899,498	1,250,771	1,130,781
Other liabilities	57,230	42,452	90,613	86,013	147,843	128,465
Total liabilities	453,497	273,735	945,117	985,511	1,398,614	1,259,246
Net position:						
Net investment in capital assets	2,405,163	2,353,452	2,790,538	2,718,527	5,195,701	5,071,979
Restricted	629,259	617,049	27,043	25,201	656,302	642,250
Unrestricted	294,332	286,312	309,121	247,511	603,453	533,823
Total net position	\$ 3,328,754	\$ 3,256,813	\$ 3,126,702	\$ 2,991,239	\$ 6,455,456	\$ 6,248,052

By far the largest portion of the County's net position (80.5 percent) at December 31, 2015, 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 (10.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$603,453,000) 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 2014.

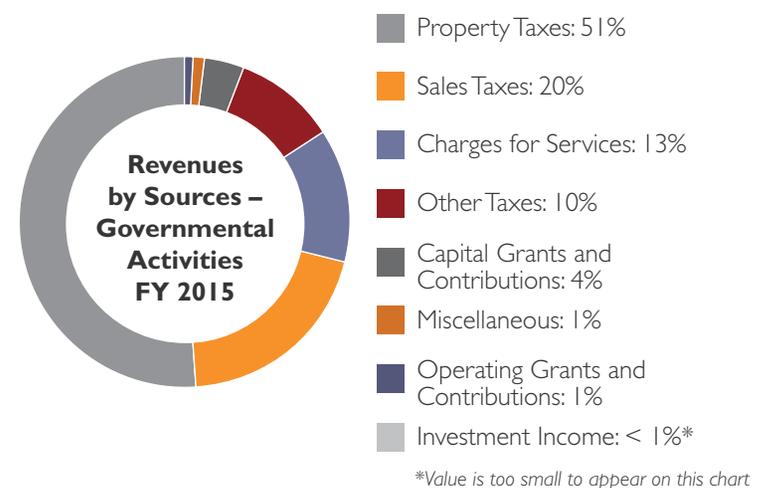
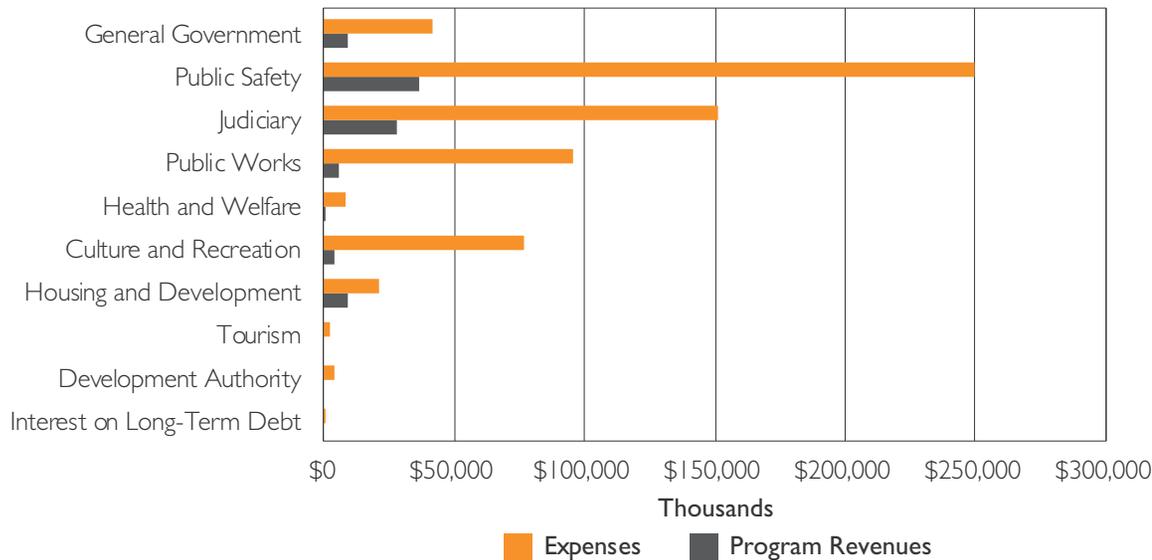
**Gwinnett County's Changes In Net Position**  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 97,586	\$ 94,867	\$ 385,315	\$ 377,403	\$ 482,901	\$ 472,270
Operating grants and contributions	8,408	16,645	6,432	6,391	14,840	23,036
Capital grants and contributions	30,319	38,529	44,405	29,948	74,724	68,477
General revenues:						
Property taxes	382,407	377,192	–	–	382,407	377,192
Sales taxes	146,564	142,480	–	–	146,564	142,480
Other taxes	74,491	64,636	–	–	74,491	64,636
Investment income	3,130	3,414	2,021	1,413	5,151	4,827
Other	10,154	9,192	–	–	10,154	9,192
Total revenues	753,059	746,955	438,173	415,155	1,191,232	1,162,110
<b>Expenses</b>						
General government	42,338	39,653	–	–	42,338	39,653
Public safety	250,029	212,405	–	–	250,029	212,405
Judiciary	151,945	137,599	–	–	151,945	137,599
Public works	95,907	96,491	–	–	95,907	96,491
Health and welfare	9,228	8,649	–	–	9,228	8,649
Culture and recreation	77,237	63,578	–	–	77,237	63,578
Housing and development	21,601	22,071	–	–	21,601	22,071
Tourism	2,773	2,534	–	–	2,773	2,534
Development authority	4,622	4,773	–	–	4,622	4,773
Interest on long-term debt	277	285	–	–	277	285
Water and sewer	–	–	239,093	229,176	239,093	229,176
Airport	–	–	1,482	1,382	1,482	1,382
Solid waste	–	–	40,617	40,051	40,617	40,051
Stormwater	–	–	28,861	38,324	28,861	38,324
Transit	–	–	17,818	17,591	17,818	17,591
Total expenses	655,957	588,038	327,871	326,524	983,828	914,562
Increase in net position before transfers	97,102	158,917	110,302	88,631	207,404	247,548
Transfers	(25,161)	(5,162)	25,161	5,162	–	–
Increase in net position after transfers	71,941	153,755	135,463	93,793	207,404	247,548
Net position – January 1	3,256,813	3,353,430	2,991,239	2,910,959	6,248,052	6,264,389
Impact of restatement	–	(250,372)	–	(13,513)	–	(263,885)
Net position – December 31	\$ 3,328,754	\$ 3,256,813	\$ 3,126,702	\$ 2,991,239	\$ 6,455,456	\$ 6,248,052

**Governmental activities:** Governmental activities increased the County's net position by \$71,941,000, thereby accounting for 34.7 percent of the total growth in net position.

- Revenues increased by \$6.1 million, primarily due to increases in property taxes (\$5.2 million), sales tax revenue (\$4.1 million), charges for services (\$2.7 million), other taxes (\$9.9 million), and other revenues (\$1.0 million). These increases were offset by decreases in operating grants and contributions (\$8.2 million), and capital grants and contributions (\$8.2 million). The decrease in capital grants and contributions is primarily related to the State Route 20 road widening activity and the timing of State funding for road rehabilitation and resurfacing. The increase in property taxes is mainly attributed to an increase in property values. Sales taxes and other taxes have increased as the economy continues to strengthen.
- Public safety expenses increased by \$37.6 million, of which approximately \$5.5 million is attributable to increases in personal services due to pay increases and increases in employee benefits expenses. Approximately \$7.7 million of the increase is due to the amount of internal service fund operating activity that was allocated to public safety in 2015 as compared to 2014. The largest increase, approximately \$19.1 million, was due to recording pension expense in the governmentwide statements.
- Judiciary expenses increased by \$14.3 million, of which approximately \$3.8 million is attributable to increases in personal services due to pay increases and increases in employee benefits expenses. Approximately \$4.4 million of the increase is due to the amount of internal service fund operating activity that was allocated to judiciary in 2015 as compared to 2014, and approximately \$8.5 million is due to recording pension expense in the governmentwide statements. These increases are primarily offset by a decrease in indirect cost allocations of approximately \$2.5 million.
- Culture and recreation expenses increased by almost \$13.7 million, of which approximately \$0.6 million is attributable to increases in personal services due to pay increases and increases in employee benefits expenses. Just over \$7.1 million is due to recording capital asset allocations in the governmentwide statements. About \$2.7 million is due to an increase in indirect cost charges, and \$1.3 million is due to recording pension expense in the governmentwide statements.

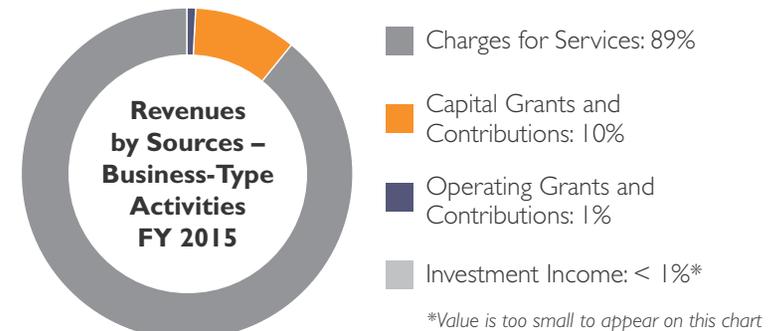
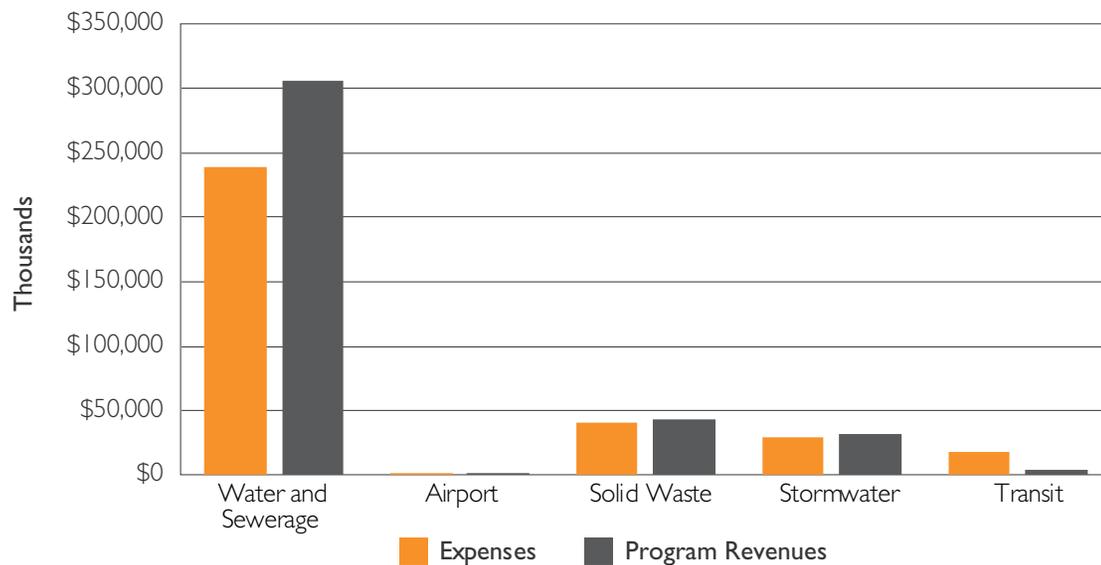
**Expenses and Program Revenues –  
Governmental Activities FY 2015**



**Business-type activities:** Business-type activities increased the County's net position by \$135,463,000, accounting for 65.3 percent of the total growth in the government's net position. Key elements of this increase were as follows:

- In 2015, Water and Sewerage Fund revenues were up approximately 2 percent, or \$7.0 million, over the prior year, primarily due a 1.6 percent increase in water consumption and an increase in system development charges and sewer retail revenues. Operating expenses decreased \$1.3 million from 2014. Major factors in this decrease were an additional contribution of \$7.0 million to the Defined Benefit Pension Plan in 2014 that was not made in 2015, and a decrease in the amount of indirect cost charges of \$3.7 million. These decreases were offset by increases in professional services expenses of \$4.8 million and repair and maintenance expenses of about \$3.3 million.
- The Stormwater Fund reported operating income of \$4.4 million, which is \$1.2 million higher than 2014. The fund ended the year with an increase in net position of \$18,865,000, primarily due to an increase in capital asset contributions resulting from transportation projects in other funds.
- The Transit Fund reported an increase in net position of \$2.6 million, which is approximately an increase of \$5.2 million from the 2014 change in net position. Miscellaneous revenues ended the year significantly higher than 2014 due primarily to the receipt of a larger Compressed Natural Gas (CNG) fuel tax refund. The fund received a transfer of \$9.5 million from the General Fund.
- The Solid Waste Fund reported an increase in net position of \$2.4 million, which is approximately \$0.1 million less than the 2014 change in net position. There was an increase in operating revenues of approximately \$0.6 million and an increase in operating expenses of \$0.6 million.

**Expenses and Program Revenues – Business-Type Activities FY 2015**



## 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 2015, the County's governmental funds reported combined ending fund balances of \$938,645,000, an increase of \$72,250,000 in comparison with the prior year. This increase is approximately \$77.0 million less than the 2014 increase in fund balances. Overall revenues were up nearly \$4.0 million, and expenditures were up \$74.3 million.

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

- An increase in property tax revenues of \$7.6 million due to a slight increase in property values
- An increase in permits and licenses of nearly \$1.0 million as building activity increased
- An increase in charges for services of \$4.1 million. The largest increases were for E-911 charges and ambulance fees.
- An increase in sales tax revenues of \$4.0 million
- An increase in insurance premium taxes of just over \$2.0 million
- A decrease in intergovernmental revenues of \$14.6 million partially due to the timing of federal and state revenues related to the State Road 20 widening activity and road rehabilitation and resurfacing

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

- An increase in capital spending of approximately \$66.4 million. The major projects underway include road improvements and maintenance, parks and fire academy improvements.
- An increase in salaries and benefits of almost \$9.6 million as a result of pay increases and increased benefits costs

The following paragraphs discuss the individual major governmental funds.

The General Fund is the primary tax and operating fund for all County revenues and expenditures that are not restricted to, or accounted for, in other funds. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$123,809,000. 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 58.7 percent of General Fund expenditures. Total fund balance increased \$1.7 million, as compared to an increase of \$7.6 million in 2014. This decrease in operating results is attributed to:

- An increase in revenues of nearly \$1.1 million, primarily due to slight increases in property tax revenues, and charges for services due to an increase in construction activity, offset by decreases in fines and forfeitures and investment income
- A modest increase in expenditures of \$0.3 million
- An increase in contributions to transit operations of \$5.5 million
- An increase in transfers across the Police, Fire and EMS, and Development and Enforcement Service District funds of \$1.3 million for supplemental title *ad valorem* tax

The Fire and Emergency Medical Services (EMS) District Fund accounts for the revenues and expenditures attributable to the Fire and EMS District. This district includes all properties within unincorporated Gwinnett County and all cities except Loganville. At the end of fiscal year 2015, restricted fund balance was \$45,350,000, which is above the required fund balance reserve of three months of normal operating expenditures and represents an increase of \$1.1 million from the fiscal year 2014 fund balance. Revenues increased \$4.1 million primarily due to the increase in property tax and charges for services revenues. Expenditures increased \$4.5 million primarily due to salary increases and overtime, and other financing uses increased by \$12.5 million primarily due to an additional contribution to the capital projects fund.

The Police Services District Fund accounts for the revenues and expenditures attributable to the Police Services District. This district includes all properties within unincorporated Gwinnett County and cities that do not operate their own police departments (Berkeley Lake, Buford, Grayson, Dacula, Peachtree Corners, Rest Haven, and Sugar Hill). At the end of fiscal year 2015, restricted fund balance was \$45,489,000, which is above the required fund balance reserve of three months operating expenditures and represents an increase of \$2.6 million from the fiscal year 2014 fund balance. Revenues increased \$4.6 million primarily due to increases in property tax, occupation tax, and insurance premium tax revenues offset by a significant decline in fines and forfeitures revenue. Expenditures decreased \$1.7 million despite salary increases, and other financing uses increased by \$9.3 million primarily due to an additional contribution to the capital projects fund.

The Other Capital Projects Fund accounts for the financial resources to be used for the purchase and construction of major capital facilities and equipment, other than those accounted for in specific funds. At the end of fiscal year 2015, the fund balance of the Other Capital Projects Fund was \$202,038,000, representing an increase of \$63 million from 2014. Expenditures exceeded revenues by \$30.4 million, which was offset by transfers in of \$93.5 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 2015, the 2005 Sales Tax Fund reported a fund balance of \$5,269,000. Fund expenditures exceeded revenues by \$7.6 million. This is expected as sales tax revenues are no longer being collected under the 2005 program.

The 2009 Sales Tax Fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, and transportation projects. At the end of fiscal year 2015, the 2009 Sales Tax Fund reported a fund balance of \$236,723,000. Expenditures exceeded revenues by \$66.8 million. Sales tax revenues were collected under the 2009 program until April 2014.

The 2014 Sales Tax Fund accounts for the financial resources provided from the 2014 one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for libraries, parks and recreation, public safety, senior service facilities, and transportation projects. At the end of fiscal year 2015, the 2014 Sales Tax Fund reported a fund balance of \$161,050,000. The County began receiving sales tax revenues under the 2014 program in May 2014.

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

Unrestricted net position of the Water and Sewerage Fund at the end of fiscal year 2015 amounted to \$246,052,000. This represents an increase of \$37,735,000 in unrestricted net position from the end of the previous year. The total increase in net position was \$114,111,000. 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 2015 budget was adopted with a \$0.03 million contribution to fund balance. As of December 31, 2015, there was a \$22.4 million budgeted use of fund balance.

Differences between the original budget and the final amended budget, amount to a net increase in budgeted expenditures and transfers out of \$33,273,000 and can be summarized as follows:

- Increase in contributions to capital projects funds of \$27.3 million
- Increase of \$3.5 million in contributions to transit for operations
- Increase of \$4.8 million across the Service Delivery Strategy funds (Police, Fire and EMS, Development and Enforcement) for the supplemental title *ad valorem* tax.
- Decrease of \$1.8 million for indirect cost allocation reclassifications
- Decrease of \$0.5 million for operations

## General Fund Actual Expenditures versus Budget Highlights

Actual revenues were \$7,344,000 above budget at the end of fiscal year 2015. Taxes exceeded budget by \$2,542,000 mainly due to conservative budgeting. Charges for services exceeded budget by \$1,764,000. Miscellaneous revenues exceeded budget by \$1,161,000.

Actual expenditures and transfers out were \$16,800,000 below budget at the end of fiscal year 2015. The main contributing factors were as follows:

- Personal services expenditures were \$4.3 million under budget, primarily due to vacancies.
- General operating expenditures were \$6 million under budget with the largest single line item being professional services, which was \$2 million under budget. Other line items that were significantly under budget include road services, industrial supplies, industrial repairs & maintenance contracted, utilities, license support agreements and fuel.
- Expenditures for court reporters, court interpreters, and indigent defense were under budget by approximately \$2.1 million.
- Contributions (transfers) to Fire and EMS, Police, Development and Enforcement, and Grants were under budget a little over \$2 million.
- Reserves and contingencies were \$2.3 million under budget.

## Capital Assets

**Capital assets:** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounted to \$6,108,378,000 (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	
	2015	2014	2015	2014	2015	2014
Land	\$ 735,829	\$ 703,790	\$ 71,312	\$ 70,860	\$ 807,141	\$ 774,650
Improvements	312,306	325,126	2,500,029	2,478,780	2,812,335	2,803,906
Buildings	519,917	524,909	659,281	674,771	1,179,198	1,199,680
Equipment	54,859	52,095	229,473	238,875	284,332	290,970
Vehicles	37,068	34,923	11,609	13,591	48,677	48,514
Infrastructure (roads, bridges, and sidewalks)	762,587	760,626	4,925	5,145	767,512	765,771
Construction in progress	89,019	63,733	120,164	107,766	209,183	171,499
<b>Total</b>	<b>\$ 2,511,585</b>	<b>\$ 2,465,202</b>	<b>\$ 3,596,793</b>	<b>\$ 3,589,788</b>	<b>\$ 6,108,378</b>	<b>\$ 6,054,990</b>

Total capital assets for governmental activities for 2015 totaled \$2,511,585,000, which is an increase of \$46.4 million, or 1.9 percent, over 2014. The total of governmental assets transferred from construction in progress to the asset records during the year totaled approximately \$82 million. Major projects consisted of the following:

- Little Mulberry Park: \$3,000,578
- SR 316/University Parkway at US 29/SR 8: \$3,593,193
- 2009 SPLOST Advanced Traffic Management/Intelligent Transportation System - Various Locations: \$4,237,273
- Jimmy Carter Boulevard (I-85 Interchange) Bridge: \$7,430,707
- Meadow Creek Property: \$7,990,441
- Fire Academy Improvements: \$10,700,547

Total capital assets for business-type activities for 2015 totaled \$3,596,793,000, which is an increase of \$7 million, or less than 1.0 percent, from 2014. The total of business-type assets that were transferred from construction in progress to the asset records during the year totaled approximately \$77 million. Major projects consisted of the following:

- Biosolids Program: \$11,097,624
- Transportation Drainage: \$4,410,940
- Crooked Creek Water Reclamation Improvements: \$24,416,639
- Distribution System Rehabilitation: \$6,949,500
- Pump Station Rehabilitation: \$3,760,473
- 2014 Drainage Improvements: \$5,316,916
- 2015 Drainage Improvements: \$9,378,543

Additional information on the County's capital assets can be found in **Note 7** on pages 76 – 78 of this report.

## Debt Administration

**Long-Term Debt:** At the end of the current fiscal year, the County had total bonded debt outstanding of \$15,665,000 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 \$745,485,000 in Water and Sewerage Authority Revenue Bonds. Debt service on these revenue bonds is paid from water and sewerage customer charges. For the Water and Sewerage Revenue Bonds, the County would be required to pay the principal and interest on those bonds should operating revenues not be adequate. There has never been an occasion when operating revenues have not been sufficient to cover all such payments.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 15,665	\$ 19,145	\$ -	\$ -	\$ 15,665	\$ 19,145
Revenue bonds	-	-	745,485	806,275	745,485	806,275
Total	\$ 15,665	\$ 19,145	\$ 745,485	\$ 806,275	\$ 761,150	\$ 825,420

The County's total long-term bonds decreased by \$64,270,000 during the current fiscal year due primarily to principal payments and a refunding of Water and Sewerage Revenue Bonds that were issued in 2005.

The County maintains a triple-AAA credit rating from each of the three rating agencies that review public sector debt. Additional information regarding Gwinnett County's long-term debt can be found in **Note 8** on pages 79 – 85 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed taxable property valuation. The County currently has \$202,000 more set aside for repayment of general obligation debt than the amount of the principal owed on general obligation debt outstanding, which means the County has used none of its legal debt limitation of \$2,590,355,000.

## Economic Factors and Next Year's Budgets and Rates

As previously discussed in "[Assessing the County's Economic Condition](#)" in the Introductory section of this document, improvements in the housing, construction, and labor markets continue to indicate economic progress. The countywide tax digest has grown approximately 9.5 percent from 2013 to 2015, and county officials expect additional slight growth in the tax digest in 2016 due to new construction.

Gwinnett County took these economic factors into consideration when preparing the fiscal year 2016 budget. Developed within the framework of the County's five-year financial plan, the total budget, including operating and capital, is \$1,480,847,361, up from \$1,423,711,647 in 2015. The fiscal year 2016 budget funds some of the services cut during the recession, addresses concerns about workforce recruitment and retention, and invests in essential infrastructure and critical community needs.

The 2016 operating budget totals \$1,117,671,175 compared to \$1,052,671,304 in 2015. It includes an additional \$7.2 million to cover election expenditures and expand hours and locations for advance voting. It also unfreezes 25 police positions and restores staff at the animal welfare shelter and in parks maintenance. There will be additions to a special victims unit in the District Attorney's office, 30 new police officers, nine new firefighter/paramedics, 12 new part-time sheriff deputies, three new Juvenile Court positions and another magistrate judge. To help departments recruit and retain talented employees, the 2016 operating budget also includes a 4 percent pay-for-performance increase and the restoration of longevity pay that was eliminated in 2009. However, cost-saving measures such as continuing the 90-day job vacancy policy and requiring justification for specific commitment items remain in effect for 2016.

The 2016 capital budget totals \$363,176,186 compared to \$371,040,343 in 2015. Projects in 2016 include the design for a new state patrol building, a courthouse expansion, design and construction of a new medical examiner/morgue building, and senior center renovations.

The Chairman's Budget Review Team made recommendations for the fiscal year 2016 budget focusing on priorities set by Commissioners during a strategic planning session held in May 2015. The strategic goals identified at the planning session include public safety, economic development/redevelopment, water supply and infrastructure, transportation, and community engagement. In late August and early September 2015, the budget review team, together with the County's financial staff, studied departmental business plans, budget needs, and revenue projections and made recommendations for the 2016 budget that align with the priorities identified at the strategic planning session. Departmental business plans and budget presentations made to the budget review team may be viewed at [www.tvgwinnett.com](http://www.tvgwinnett.com) under [Video on Demand – Budget Review Meetings](#).

The Chairman's Budget Review Team is made up of five county citizens as well as participating departmental and agency representatives. The citizen members of the budget review team were Mark Brock, Lisa Burleson, Burt Manning, Santiago Marquez, and Latabia Woodward. Burleson and Marquez are new members of the team this year, while Brock, Manning, and Woodward were review team veterans returning for another year of service. Burleson is a retired district level administrator from Gwinnett County Public Schools and Marquez is CFO/VP of the Georgia Hispanic Chamber of Commerce and has spent nearly 20 years serving the Latino community both locally and nationally. Brock is the building maintenance director for Gwinnett County Public Schools, Manning is a retired real estate appraiser and assessment administrator who has worked in six Georgia counties, and Woodward works as a strategic planning principal for Georgia Power and is the immediate past president of the Gwinnett County Alumnae Chapter of Delta Sigma Theta Sorority Inc. Woodward and Burleson are alumni of the first Gwinnett 101 Citizens Academy class held in the spring of 2015. We would like to thank these individuals for their time spent considering the many budget proposals.



### Requests for Information

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

# BASIC FINANCIAL STATEMENTS

Governmentwide Financial Statements  
Fund Financial Statements



# Statement of Net Position

December 31, 2015

(in thousands of dollars)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 477,065	183,326	660,391	18,970
Investments	516,341	55,671	572,012	—
Receivables, net of allowance	26,715	35,766	62,481	350
Internal balances	2,948	(2,948)	—	—
Due from other governments	52,604	1,056	53,660	564
Due from primary government	—	—	—	1,838
Inventories	1,684	3,185	4,869	—
Prepaid items	6,611	406	7,017	—
Net OPEB asset	33,624	—	33,624	—
Lease receivable	380	—	380	—
Lease receivable from primary government	—	—	—	84,545
Noncurrent investments	26,470	126,274	152,744	—
Restricted assets:				
Cash and cash equivalents	—	43,403	43,403	—
Other assets	—	599	599	—
Capital assets:				
Land and construction in progress	824,848	191,476	1,016,324	—
Other capital assets, net of depreciation	1,686,737	3,405,317	5,092,054	2,340
Total assets	3,656,027	4,043,531	7,699,558	108,607
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pension experience differences	9,422	1,308	10,730	—
Pension assumption changes	63,851	8,873	72,724	—
Pension investment differences	52,748	7,329	60,077	—
Changes in proportion and proportionate share of pension contributions	—	—	—	469
Pension contributions subsequent to the measurement date	—	—	—	2,774
Deferred charge on refunding of bonds	203	10,778	10,981	241
Total deferred outflows of resources	126,224	28,288	154,512	3,484
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	36,290	28,201	64,491	3,034
Retainage payable	5,636	2,221	7,857	—
Other accrued payables	11,803	1,545	13,348	489
Customer deposits	—	3,885	3,885	—
Accrued interest payable	1,838	12,474	14,312	—
Due to others	624	162	786	—
Due to other governments	1,023	—	1,023	—
Unearned revenue	16	42,125	42,141	70
Noncurrent liabilities:				
Due within one year	23,474	69,612	93,086	4,027
Due in more than one year	372,793	784,892	1,157,685	115,155
Total liabilities	453,497	945,117	1,398,614	122,775
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pension experience differences	—	—	—	113
Pension investment differences	—	—	—	4,819
Changes in proportion and proportionate share of pension contributions	—	—	—	179
Total deferred inflows of resources	—	—	—	5,111
<b>NET POSITION:</b>				
Net investment in capital assets	2,405,163	2,790,538	5,195,701	1,536
Restricted for:				
Capital projects	403,042	—	403,042	—
Debt service	15,975	27,043	43,018	—
Special programs	210,242	—	210,242	—
Health programs	—	—	—	7,306
Unrestricted	294,332	309,121	603,453	(24,637)
Total net position	\$ 3,328,754	3,126,702	6,455,456	(15,795)

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

# Statement of Activities

Year Ended December 31, 2015

(in thousands of dollars)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 42,338	10,002	187	224	(31,925)	–	(31,925)	–
Public safety	250,029	37,508	1,161	449	(210,911)	–	(210,911)	–
Judiciary	151,945	28,933	4,283	362	(118,367)	–	(118,367)	–
Public works	95,907	6,601	313	18,639	(70,354)	–	(70,354)	–
Health and welfare	9,228	3	2,004	215	(7,006)	–	(7,006)	–
Culture and recreation	77,237	4,893	167	1,194	(70,983)	–	(70,983)	–
Housing and development	21,601	9,646	293	9,236	(2,426)	–	(2,426)	–
Tourism	2,773	–	–	–	(2,773)	–	(2,773)	–
Development authority	4,622	–	–	–	(4,622)	–	(4,622)	–
Interest on long-term debt	277	–	–	–	(277)	–	(277)	–
Total governmental activities	655,957	97,586	8,408	30,319	(519,644)	–	(519,644)	–
Business-type activities:								
Water and sewer	239,093	305,974	–	29,147	–	96,028	96,028	–
Airport	1,482	1,034	–	130	–	(318)	(318)	–
Solid waste	40,617	42,677	–	–	–	2,060	2,060	–
Stormwater	28,861	31,226	–	15,128	–	17,493	17,493	–
Transit	17,818	4,404	6,432	–	–	(6,982)	(6,982)	–
Total business-type activities	327,871	385,315	6,432	44,405	–	108,281	108,281	–
Total primary government	\$ 983,828	482,901	14,840	74,724	(519,644)	108,281	(411,363)	–
Component units	\$ 55,967	8,787	18,662	–	–	–	–	(28,518)
General revenues:								
Property taxes					382,407	–	382,407	–
Sales taxes					146,564	–	146,564	–
Hotel motel taxes					9,183	–	9,183	–
Insurance premium tax					36,626	–	36,626	–
Business taxes					20,756	–	20,756	–
Other taxes					7,926	–	7,926	–
Lease interest income – development authority					–	–	–	4,560
Intergovernmental revenue from primary government, not restricted for specific programs					–	–	–	23,502
Intergovernmental revenue from State of Georgia not restricted for specific programs					–	–	–	1,281
Investment income					3,130	2,021	5,151	16
Miscellaneous					10,154	–	10,154	1,503
Total general revenues					616,746	2,021	618,767	30,862
Transfers					(25,161)	25,161	–	–
Total general revenues and transfers					591,585	27,182	618,767	30,862
Change in net position					71,941	135,463	207,404	2,344
Net position – beginning, as restated					3,256,813	2,991,239	6,248,052	(18,139)
Net position – ending					\$ 3,328,754	3,126,702	6,455,456	(15,795)

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

# Governmental Funds Balance Sheet

December 31, 2015

(in thousands of dollars)

	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	2014 Sales Tax	Other Governmental Funds	Total
<b>ASSETS:</b>									
Cash and cash equivalents	\$ 56,410	31,848	18,250	112,260	6,600	86,021	76,669	58,609	446,667
Investments	89,925	14,618	29,108	93,784	–	156,090	78,397	37,636	499,558
Receivables, net of allowance:									
Taxes	4,747	1,453	557	–	–	–	–	993	7,750
Accounts	1,130	5,929	676	325	22	8,982	284	714	18,062
Due from other funds	1,292	–	–	–	–	–	–	–	1,292
Due from other governments	–	–	31,885	–	12	677	14,764	5,266	52,604
Inventories	1,117	–	–	–	–	–	–	234	1,351
Prepaid items	3,663	80	483	12	–	121	–	13	4,372
Total assets	\$ 158,284	53,928	80,959	206,381	6,634	251,891	170,114	103,465	1,031,656
<b>LIABILITIES:</b>									
Accounts payable	\$ 4,939	604	394	4,030	1,143	9,785	8,295	3,203	32,393
Payroll payable	4,465	2,817	2,249	–	–	–	–	1,026	10,557
Retainage payable	–	–	–	225	222	4,360	769	60	5,636
Due to other governments	–	–	–	–	–	1,023	–	–	1,023
Due to other funds	–	–	–	–	–	–	–	1,292	1,292
Due to others	250	–	85	88	–	–	–	201	624
Total liabilities	9,654	3,421	2,728	4,343	1,365	15,168	9,064	5,782	51,525
<b>DEFERRED INFLOWS OF RESOURCES:</b>									
Unavailable revenue	3,411	5,077	32,259	–	–	–	–	739	41,486
Total deferred inflows of resources	3,411	5,077	32,259	–	–	–	–	739	41,486
<b>FUND BALANCES:</b>									
Nonspendable	4,780	80	483	12	–	121	–	247	5,723
Restricted	–	45,350	45,489	–	5,269	236,602	161,050	96,493	590,253
Committed	–	–	–	–	–	–	–	204	204
Assigned	16,630	–	–	202,026	–	–	–	–	218,656
Unassigned	123,809	–	–	–	–	–	–	–	123,809
Total fund balance	145,219	45,430	45,972	202,038	5,269	236,723	161,050	96,944	938,645
Total liabilities, deferred inflows of resources and fund balances	\$ 158,284	53,928	80,959	206,381	6,634	251,891	170,114	103,465	1,031,656

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

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

**December 31, 2015**  
*(in thousands of dollars)*

Fund balances – total governmental funds		\$	938,645
Amounts reported for governmental activities in the statement of net position are different because:			
Net OPEB asset is not recorded on the fund financial statements.			33,624
Lease receivable is not recorded on the fund financial statements.			380
Capital assets are not reported in fund statements.			
Capital assets used in government activities are not current financial resources and therefore are not reported in the government funds.	2,510,936		
Capital assets used in internal service funds are reported in the governmental activities column of the government wide statement of net position.	<u>649</u>		2,511,585
Deferred outflows for governmental activities are not current financial resources and therefore are not reported in the governmental funds			
Pension experience differences	9,422		
Pension assumption changes	63,851		
Pension investment differences	52,748		
Deferred loss on bond refunding	<u>203</u>		126,224
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	(15,665)		
Premiums on bonds payable	(779)		
Lease payable to component unit	(84,545)		
Accrued leave	(19,535)		
Estimated claims payable	<u>(8,537)</u>		(129,061)
Net pension liability is not recorded on the fund financial statements.			(267,206)
Revenue deferred in the governmental funds due to availability criteria is susceptible to full accrual on the government wide statements.			
Property tax	5,326		
Special assessments	168		
Insurance premium tax	31,885		
Public safety – EMS	<u>4,107</u>		41,486
Interest payable on capital lease to component unit is not accrued in the fund statements.			(1,838)
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	50,191		
Less items accounted for above:			
Capital assets	(649)		
Pension experience differences	(761)		
Pension assumption changes	(5,156)		
Pension investment differences	(4,260)		
Net pension liability	21,577		
Plus accrued leave already accounted for above	2,488		
Plus claims payable already accounted for above	8,537		
Plus amount due from enterprise funds	<u>2,948</u>		74,915
Net position of governmental activities			<u>\$ 3,328,754</u>

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

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

Year Ended December 31, 2015

(in thousands of dollars)

	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	2014 Sales Tax	Other Governmental Funds	Total
<b>REVENUES:</b>									
Taxes	\$ 227,799	83,114	92,151	–	–	–	146,564	50,763	600,391
Permits and licenses	–	886	4,128	–	–	–	–	3,983	8,997
Intergovernmental	3,810	562	231	189	44	10,995	5,790	14,388	36,009
Charges for services	24,335	16,092	1,309	–	–	–	–	30,190	71,926
Fines and forfeitures	4,452	–	9,733	44	–	–	–	1,641	15,870
Investment income	737	105	302	1,021	19	2,496	464	368	5,512
Miscellaneous	3,281	85	365	2,065	62	4	–	4,319	10,181
Total revenues	<u>264,414</u>	<u>100,844</u>	<u>108,219</u>	<u>3,319</u>	<u>125</u>	<u>13,495</u>	<u>152,818</u>	<u>105,652</u>	<u>748,886</u>
<b>EXPENDITURES:</b>									
Current operating:									
General government	21,673	–	121	–	–	–	–	–	21,794
Public safety	20,147	85,789	72,693	–	–	–	–	17,944	196,573
Judiciary	127,458	–	3,405	–	–	–	–	2,469	133,332
Public works	13,007	–	–	–	–	–	–	7,141	20,148
Health and welfare	7,227	–	–	–	–	–	–	–	7,227
Culture and recreation	18,539	–	–	–	–	–	–	28,690	47,229
Housing and development	2,577	537	632	–	–	–	–	4,999	8,745
Tourism	–	–	–	–	–	–	–	2,773	2,773
Development authority	–	–	–	–	–	–	–	7,597	7,597
Grant programs	–	–	–	–	–	–	–	13,915	13,915
Capital outlay	107	88	174	33,747	7,750	80,268	47,009	494	169,637
Debt service	–	–	–	–	–	–	–	4,140	4,140
Intergovernmental	69	–	–	–	–	–	30,925	3,194	34,188
Total expenditures	<u>210,804</u>	<u>86,414</u>	<u>77,025</u>	<u>33,747</u>	<u>7,750</u>	<u>80,268</u>	<u>77,934</u>	<u>93,356</u>	<u>667,298</u>
Revenues in excess of (less than) expenditures	<u>53,610</u>	<u>14,430</u>	<u>31,194</u>	<u>(30,428)</u>	<u>(7,625)</u>	<u>(66,773)</u>	<u>74,884</u>	<u>12,296</u>	<u>81,588</u>
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	351	4,988	2,494	93,485	1	50	–	1,116	102,485
Transfers out	(52,275)	(18,352)	(31,123)	–	–	–	–	(10,073)	(111,823)
Other financing sources (uses), net	<u>(51,924)</u>	<u>(13,364)</u>	<u>(28,629)</u>	<u>93,485</u>	<u>1</u>	<u>50</u>	<u>–</u>	<u>(8,957)</u>	<u>(9,338)</u>
Net change in fund balances	1,686	1,066	2,565	63,057	(7,624)	(66,723)	74,884	3,339	72,250
Fund balances – January 1	<u>143,533</u>	<u>44,364</u>	<u>43,407</u>	<u>138,981</u>	<u>12,893</u>	<u>303,446</u>	<u>86,166</u>	<u>93,605</u>	<u>866,395</u>
Fund balances – December 31	<u>\$ 145,219</u>	<u>45,430</u>	<u>45,972</u>	<u>202,038</u>	<u>5,269</u>	<u>236,723</u>	<u>161,050</u>	<u>96,944</u>	<u>938,645</u>

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

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2015  
(in thousands of dollars)

Net change in fund balances – total governmental funds	\$	72,250
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	\$	169,637
Capital expenditures reclassified as expense		(43,952)
Depreciation expense – general capital assets		<u>(82,616)</u>
		43,069
Contributions of capital assets are not recorded in governmental funds.		4,520
The loss on disposition of capital assets is not reported in the fund statements.		(1,288)
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.		3,480
The current years change in the net pension liability and the related deferred inflows and outflows of resources increases net expenses of pensionable functions on the governmentwide statements.		(40,385)
The current years increase in the net OPEB asset decreases net expenses of the functions on the governmentwide statements.		2,168
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		(116)
Amortization of deferred premium on bonds		446
Accrued interest payable is not included on the fund financial statements.		53
Lease payments to the Development Authority are reported as expenditures in the fund statement and as a reduction of the lease payable in the governmentwide statements.		2,975
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.		(17,714)
Accrued expenses related to compensated absences are not reported in the fund statements.		(1,093)
Capital lease revenue from View Point Health is reported as revenue for governmental activities and as a reduction of capital lease receivable in the governmentwide statements.		(12)
Some revenue earned is deferred in the governmental funds due to availability criteria.		<u>3,588</u>
Change in net position of governmental activities	\$	<u>71,941</u>

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

# General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis)

Year Ended December 31, 2015

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance—positive (negative)
<b>REVENUES:</b>				
Taxes	\$ 213,787	225,257	227,799	2,542
Intergovernmental	2,843	2,767	3,810	1,043
Charges for services	22,462	22,571	24,335	1,764
Fines and forfeitures	5,442	4,087	4,452	365
Investment income	513	513	982	469
Miscellaneous	1,366	2,120	3,281	1,161
Total revenues	246,413	257,315	264,659	7,344
<b>EXPENDITURES:</b>				
Current operating:				
General government:				
County administrator	721	721	523	198
Financial services	8,206	6,988	6,627	361
Tax commissioner	12,077	12,354	12,002	352
Total general government	21,004	20,063	19,152	911
Public safety:				
Police services	5,262	5,396	4,815	581
Correctional services	12,852	12,107	11,513	594
Total public safety	18,114	17,503	16,328	1,175
Judiciary:				
Courts	35,302	41,915	40,185	1,730
District attorney	11,554	11,338	10,802	536
Sheriff	74,470	75,335	73,202	2,133
Solicitor	3,590	3,597	3,296	301
Total judiciary	124,916	132,185	127,485	4,700
Public works	15,887	15,025	12,997	2,028
Health and welfare:				
Physical health	1,564	1,564	1,564	—
Indigent medical care	225	225	225	—
Gwinnett Sexual Assault Center	117	117	117	—
Various subsidized agencies	2,050	2,050	2,050	—
General community services	7,321	8,558	7,680	878
Total health and welfare	11,277	12,514	11,636	878
Culture and recreation:				
Library	16,593	16,593	16,494	99
Total culture and recreation	16,593	16,593	16,494	99
Housing and development:				
Planning and development	837	836	615	221
Total housing and development	837	836	615	221
Miscellaneous	19,078	10,867	6,097	4,770
Total expenditures	227,706	225,586	210,804	14,782
Revenues in excess of expenditures	18,707	31,729	53,855	22,126
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	192	192	351	159
Transfers out	(18,602)	(54,293)	(52,275)	2,018
Other financing sources (uses), net	(18,410)	(54,101)	(51,924)	2,177
Revenues and other financing sources more (less) than expenditures and other financing uses	297	(22,372)	1,931	24,303
Fund balance allocation	(297)	22,372	—	(22,372)
Fund balance – January 1	—	—	143,499	143,499
Fund balance – December 31	\$ —	—	145,430	145,430

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

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

Year Ended December 31, 2015

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance—positive (negative)
<b>REVENUES:</b>				
Taxes	\$ 78,726	80,898	83,114	2,216
Intergovernmental	347	347	562	215
Permits and licenses	701	701	886	185
Charges for services	13,831	13,831	16,092	2,261
Investment income	69	69	143	74
Miscellaneous	29	37	85	48
Total revenues	93,703	95,883	100,882	4,999
<b>EXPENDITURES:</b>				
Current operating:				
Public safety:				
Fire and emergency services	92,849	74,932	68,877	6,055
Total public safety	92,849	74,932	68,877	6,055
Housing and development:				
Planning and development	583	551	537	14
Total housing and development	583	551	537	14
Miscellaneous	921	17,987	17,000	987
Total expenditures	94,353	93,470	86,414	7,056
Revenues in excess of expenditures	(650)	2,413	14,468	12,055
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,220	6,199	4,988	(1,211)
Transfers out	(1,425)	(18,445)	(18,352)	93
Other financing sources (uses), net	1,795	(12,246)	(13,364)	(1,118)
Revenues and other financing sources more (less) than expenditures and other financing uses	1,145	(9,833)	1,104	10,937
Fund balance allocation	(1,145)	9,833	—	(9,833)
Fund balance – January 1	—	—	44,368	44,368
Fund balance – December 31	\$ —	—	45,472	45,472

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

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

Year Ended December 31, 2015

(in thousands of dollars)

	Original Budget	Final Budget	Actual (non-GAAP budget basis)	Variance—positive (negative)
<b>REVENUES:</b>				
Taxes	\$ 81,685	89,645	92,151	2,506
Intergovernmental	144	144	231	87
Permits and licenses	3,979	3,979	4,128	149
Charges for services	1,225	1,225	1,309	84
Fines and forfeitures	9,930	9,930	9,733	(197)
Investment income	139	139	307	168
Miscellaneous	245	245	365	120
Total revenues	97,347	105,307	108,224	2,917
<b>EXPENDITURES:</b>				
Current operating:				
Public safety:				
Police services	80,251	51,761	45,367	6,394
Total public safety	80,251	51,761	45,367	6,394
Judiciary:				
Courts	1,551	1,619	1,528	91
Solicitor	751	663	539	124
Recorder's court	1,474	1,355	1,338	17
Total judiciary	3,776	3,637	3,405	232
Housing and development:				
Planning and development	694	682	632	50
Total housing and development	694	682	632	50
Miscellaneous	2,919	28,916	27,621	1,295
Total expenditures	87,640	84,996	77,025	7,971
Revenues in excess of expenditures	9,707	20,311	31,199	10,888
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,610	3,100	2,494	(606)
Transfers out	(5,120)	(31,130)	(31,123)	7
Other financing sources (uses), net	(3,510)	(28,030)	(28,629)	(599)
Revenues and other financing sources more (less) than expenditures and other financing uses	6,197	(7,719)	2,570	10,289
Fund balance allocation	(6,197)	7,719	—	(7,719)
Fund balance – January 1	—	—	43,393	43,393
Fund balance – December 31	\$ —	—	45,963	45,963

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

# Proprietary Funds Statement of Net Position

December 31, 2015

(in thousands of dollars)

	Enterprise Funds				Internal Service Funds
	Water and Sewerage	Stormwater	Other Enterprise Funds	Total Enterprise Funds	
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 126,390	15,702	41,234	183,326	30,398
Investments	31,043	15,212	9,416	55,671	16,783
Accounts receivable, net of allowance	33,378	1,038	1,350	35,766	903
Due from other governments	–	–	1,056	1,056	–
Inventories	3,185	–	–	3,185	333
Prepaid items	391	15	–	406	2,239
Restricted cash and cash equivalents	43,403	–	–	43,403	–
Other assets	599	–	–	599	–
Total current assets	238,389	31,967	53,056	323,412	50,656
Noncurrent assets:					
Investments	89,602	15,758	20,914	126,274	26,470
Land and construction in progress	172,336	4,762	14,378	191,476	188
Other capital assets, net of depreciation	2,960,852	421,053	23,412	3,405,317	461
Total noncurrent assets	3,222,790	441,573	58,704	3,723,067	27,119
Total assets	3,461,179	473,540	111,760	4,046,479	77,775
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Pension experience differences	1,130	161	17	1,308	761
Pension assumption changes	7,658	1,091	124	8,873	5,156
Pension investment differences	6,326	901	102	7,329	4,260
Deferred charge on refunding of bonds	10,778	–	–	10,778	–
Total deferred outflows of resources	25,892	2,153	243	28,288	10,177
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	17,866	4,585	5,750	28,201	3,897
Payroll payable	1,311	195	39	1,545	1,246
Retainage payable	2,221	–	–	2,221	–
Accumulated leave benefits – current	1,353	171	29	1,553	1,449
Estimated claims payable – current	–	–	–	–	3,964
Customer deposits payable	3,885	–	–	3,885	–
Accrued interest payable – from restricted assets	12,474	–	–	12,474	–
Due to others	30	121	11	162	–
Notes payable – current	2,397	232	–	2,629	–
Revenue bonds payable – current – from restricted assets	65,430	–	–	65,430	–
Unearned revenue	162	2	41,961	42,125	16
Total current liabilities	107,129	5,306	47,790	160,225	10,572
Noncurrent liabilities:					
Accumulated leave benefits	881	101	28	1,010	1,039
Estimated claims payable	–	–	–	–	4,573
Notes payable	38,485	4,206	–	42,691	–
Revenue bonds payable	704,062	–	–	704,062	–
Net pension liability	32,046	4,565	518	37,129	21,577
Total noncurrent liabilities	775,474	8,872	546	784,892	27,189
Total liabilities	882,603	14,178	48,336	945,117	37,761
<b>NET POSITION:</b>					
Net investment in capital assets	2,331,371	421,377	37,790	2,790,538	649
Restricted for debt service	27,043	–	–	27,043	–
Unrestricted	246,054	40,138	25,877	312,069	49,542
Total net position	\$ 2,604,468	461,515	63,667	3,129,650	50,191
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(2,948)	
Net position of business-type activities				\$ 3,126,702	

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

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

Year Ended December 31, 2015

(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	\$ 293,549	–	–	293,549	–
Wholesale service	4,532	–	–	4,532	–
Public fire protection charges	683	–	–	683	–
Connection charges	1,431	–	–	1,431	–
Operating lease income and rental income from individual hangars	–	–	1,022	1,022	–
Charges to other funds	–	–	–	–	82,722
Employee contributions	–	–	–	–	4,462
User fees and charges	–	31,223	46,459	77,682	–
Miscellaneous	5,779	3	634	6,416	2,359
Total operating revenues	305,974	31,226	48,115	385,315	89,543
<b>OPERATING EXPENSES:</b>					
Water production	13,474	–	–	13,474	–
Distribution and collection	30,442	–	–	30,442	–
Engineering	4,547	–	–	4,547	–
Reclamation	35,986	–	–	35,986	–
Vehicle maintenance and repair	–	–	–	–	3,770
Benefit claims	–	–	–	–	20,298
Insurance premiums	–	–	–	–	27,053
Depreciation and amortization	78,968	16,800	3,073	98,841	127
Transit operations	–	–	15,197	15,197	–
General and administrative	21,579	9,984	41,263	72,826	57,870
Total operating expenses	184,996	26,784	59,533	271,313	109,118
Operating income (loss)	120,978	4,442	(11,418)	114,002	(19,575)
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Intergovernmental	–	–	6,432	6,432	–
Investment earnings	1,426	217	378	2,021	596
Interest expense	(34,569)	(137)	–	(34,706)	–
Loss on disposal of capital assets	(17,667)	(1,684)	(242)	(19,593)	(2)
Total non-operating revenues (expenses)	(50,810)	(1,604)	6,568	(45,846)	594
Income (loss) before transfers and contributions	70,168	2,838	(4,850)	68,156	(18,981)
Capital contributions	43,978	15,128	130	59,236	–
Transfers in	130	899	9,515	10,544	154
Transfers out	(165)	–	(49)	(214)	(1,146)
Change in net position	114,111	18,865	4,746	137,722	(19,973)
Net position – January 1, as restated	2,490,357	442,650	58,921		70,164
Net position – December 31	\$ 2,604,468	461,515	63,667		50,191
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(2,259)	
Change in net position of business-type activities				\$ 135,463	

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

# Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2015

(in thousands of dollars)

	Enterprise Funds				
	Water and Sewerage	Storm-water	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 304,523	31,278	49,192	384,993	90,017
Cash payments to suppliers for goods and services	(59,961)	(2,618)	(55,084)	(117,663)	(22,782)
Cash payments to employees for services	(36,267)	(5,130)	(1,114)	(42,511)	(32,779)
Claims and premiums paid	—	—	—	—	(46,677)
Net cash flows provided/(required) by operating activities	208,295	23,530	(7,006)	224,819	(12,221)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Operating grants	—	—	5,508	5,508	—
Transfers from other funds	130	850	9,515	10,495	154
Transfers (to) other funds	(165)	—	—	(165)	(1,146)
Net cash provided/(required) by noncapital activities	(35)	850	15,023	15,838	(992)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital grants	544	—	130	674	—
Acquisition and construction of capital assets	(74,248)	(15,504)	(102)	(89,854)	(227)
Proceeds from sale of capital assets	62	20	3	85	18
Principal payments – revenue bonds	(61,050)	—	—	(61,050)	—
Proceeds from refunding bond issuance	127,215	—	—	127,215	—
Payment of bond issue costs	(260)	—	—	(260)	—
Payments to escrow agent	(126,955)	—	—	(126,955)	—
Principal payments – notes payable	(2,326)	(226)	—	(2,552)	—
Interest paid	(36,688)	(137)	—	(36,825)	—
Capital contributed by others	21,269	—	—	21,269	—
Net cash provided/(required) by capital and related financing activities	(152,437)	(15,847)	31	(168,253)	(209)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from the sale of investments	214,716	21,890	22,382	258,988	66,332
Purchase of investments	(242,061)	(39,277)	(25,251)	(306,589)	(59,058)
Investment earnings	1,256	159	315	1,730	524
Net cash (required) by investing activities	(26,089)	(17,228)	(2,554)	(45,871)	7,798
Net (decrease) in cash and cash equivalents	29,734	(8,695)	5,494	26,533	(5,624)
Cash and cash equivalents at beginning of year	140,059	24,397	35,740	200,196	36,022
Cash and cash equivalents at end of year	\$ 169,793	15,702	41,234	226,729	30,398
<b>Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:</b>					
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 120,978	4,442	(11,418)	114,002	(19,575)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:					
Depreciation and amortization	78,968	16,800	3,073	98,841	127
<b>CHANGE IN ASSETS AND LIABILITIES:</b>					
Changes in net pension liability and related deferred inflows of resources	5,268	751	89	6,108	3,557
(Increase) decrease in receivables	(1,398)	50	562	(786)	469
(Increase) decrease in inventories	(224)	—	—	(224)	127
(Increase) decrease in prepaid items	210	(6)	—	204	1,346
Increase in payables	4,113	1,492	172	5,777	584
Increase (decrease) in other liabilities	274	(10)	1	265	1,144
Increase (decrease) in unearned revenue	(52)	2	515	465	—
Increase in payroll payables	159	9	—	168	—
Decrease in customer deposits	(1)	—	—	(1)	—
Net cash provided/(required) by operating activities	\$ 208,295	23,530	(7,006)	224,819	(12,221)
Non-cash capital contributed by others	\$ 22,165	15,177	—	37,342	—

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

# Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2015

(in thousands of dollars)

	Agency Funds	Pension (and Other Employee Benefit) Trust Funds
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 30,956	27,006
Investments, at fair value:		
U.S. treasury bonds	—	61,537
Asset-backed securities	—	22,359
U.S. governmental agencies	—	56,663
Commercial mortgage-backed securities	—	11,855
Futures contracts	—	63
Corporate bonds	—	75,664
Collateralized mortgage obligations	—	4,420
Corporate equities	—	537,605
Non-U.S. government bonds	—	28,357
International equities	—	138,636
Preferred stock	—	1,022
Global fixed income	—	45,825
Taxable municipal bonds	—	150
Total investments	<u>—</u>	<u>984,156</u>
Securities lending collateral investment pool	—	76,651
Contributions receivable from employer	—	24
Prepaid assets	—	5,252
Taxes receivable	15,783	—
Total assets	<u>\$ 46,739</u>	<u>1,093,089</u>
<b>LIABILITIES:</b>		
Accounts payable	\$ —	2,637
Liability for securities lending agreement	—	76,651
Due to others	46,739	—
Total liabilities	<u>\$ 46,739</u>	<u>79,288</u>
<b>NET POSITION:</b>		
Net position – restricted for pension benefits		899,516
Net position – restricted for other employee benefits		<u>114,285</u>
Total net position		<u>\$ 1,013,801</u>

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

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

Year Ended December 31, 2015  
(in thousands of dollars)

**ADDITIONS:**

Contributions:	
Employer	\$ 45,223
Employee	11,535
Total contributions	56,758
Investment income:	
Net decrease in the fair value of investments	(21,251)
Securities lending income	342
Interest and dividends	23,193
	2,284
Less – Investment expense	(4,741)
Securities lending expense	(12)
Net investment loss	(2,469)
Total additions	54,289

**DEDUCTIONS:**

Benefits paid	68,097
Insurance premiums	6,648
Administrative expenses	1,136
Total deductions	75,881
Net decrease in fiduciary net position	(21,592)
Net position – restricted for pension and other employee benefits:	
Beginning of year	1,035,393
End of year	\$ 1,013,801

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

# Component Units Combining Statement of Net Position

December 31, 2015

(in thousands of dollars)

	Public Library	Development Authority	Health Department	Total
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 7,123	732	11,115	18,970
Receivables, net of allowance	350	–	–	350
Lease receivable from primary government, current portion	–	3,110	–	3,110
Due from primary government	–	1,838	–	1,838
Due from other governments	–	–	564	564
Total current assets	<u>7,473</u>	<u>5,680</u>	<u>11,679</u>	<u>24,832</u>
Noncurrent assets:				
Lease receivable from primary government	–	81,435	–	81,435
Capital assets, net of depreciation	1,020	–	1,320	2,340
Total noncurrent assets	<u>1,020</u>	<u>81,435</u>	<u>1,320</u>	<u>83,775</u>
Total assets	<u>8,493</u>	<u>87,115</u>	<u>12,999</u>	<u>108,607</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Changes in proportion and proportionate share of pension contributions	16	–	453	469
Pension contributions subsequent to the measurement date	613	–	2,161	2,774
Deferred charge on refunding of bonds	–	241	–	241
Total deferred outflows of resources	<u>629</u>	<u>241</u>	<u>2,614</u>	<u>3,484</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	273	1,838	923	3,034
Accrued salaries and related payments	489	–	–	489
Unearned revenue	–	–	70	70
Total current liabilities	<u>762</u>	<u>1,838</u>	<u>993</u>	<u>3,593</u>
Noncurrent liabilities:				
Due within one year	279	3,110	638	4,027
Due in more than one year	14,231	85,438	15,486	115,155
Total noncurrent liabilities	<u>14,510</u>	<u>88,548</u>	<u>16,124</u>	<u>119,182</u>
Total liabilities	<u>15,272</u>	<u>90,386</u>	<u>17,117</u>	<u>122,775</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pension experience differences	113	–	–	113
Pension investment differences	1,080	–	3,739	4,819
Changes in proportion and proportionate share of pension contributions	179	–	–	179
Total deferred inflows of resources	<u>1,372</u>	<u>–</u>	<u>3,739</u>	<u>5,111</u>
<b>NET POSITION:</b>				
Net investment in capital assets	216	–	1,320	1,536
Restricted for health programs	–	–	7,306	7,306
Unrestricted	(7,738)	(3,030)	(13,869)	(24,637)
Total net position (deficit)	<u>\$ (7,522)</u>	<u>(3,030)</u>	<u>(5,243)</u>	<u>(15,795)</u>

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

## Component Units Combining Statement of Activities

Year Ended December 31, 2015

(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	\$ 27,583	1,945	984	(24,654)	–	–	(24,654)	
Development authority	4,213	59	–	–	(4,154)	–	(4,154)	
Health department	24,171	6,783	17,678	–	–	290	290	
Total component units	\$ 55,967	8,787	18,662	(24,654)	(4,154)	290	(28,518)	
General Revenues:								
Lease interest income – development authority				–	4,560	–	4,560	
Intergovernmental revenue from primary government, not restricted for specific programs				23,502	–	–	23,502	
Intergovernmental revenue from State of Georgia, not restricted for specific programs				1,281	–	–	1,281	
Investment income				14	2	–	16	
Miscellaneous				–	–	1,503	1,503	
Total general revenues				24,797	4,562	1,503	30,862	
Change in net position				143	408	1,793	2,344	
Net position (deficit) – beginning, as restated				(7,665)	(3,438)	(7,036)	(18,139)	
Net position (deficit) – ending				\$ (7,522)	(3,030)	(5,243)	(15,795)	

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

# DID YOU KNOW...

in 2015, **volunteers across**  
all **Gwinnett County government sectors**  
**contributed 1,040,378 hours**  
valued at \$24 million in labor?



**volunteer** gwinnett

**NOTES TO THE  
FINANCIAL STATEMENTS**



## Notes to the Financial Statements



Note	Page
(1) Summary of Significant Accounting Policies	52
(2) Legal Compliance – Budgets	62
(3) Cash, Cash Equivalents, and Investments	66
(4) Property Taxes	74
(5) Allowances for Uncollectible Receivables	75
(6) Due from Other Governments	75
(7) Capital Assets	76
(8) Long-Term Obligations	79
(9) Interfund Balances and Transfers	86
(10) Risk Management	87
(11) Deferred Compensation Plan	89
(12) Pensions	89
(13) Other Post-Employment Benefits	95
(14) Fund Balances and Net Position	98
(15) Contingencies	100

### 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, 2015, the authority had no assets, liabilities, or fund equity. In addition, during 2015, the authority had no revenues or expenses.

The **Recreation Authority**, consisting of a nine-member board, is appointed by the governing authority of the County. The Recreation Authority provides a means to issue revenue bonds for park facilities. Although it is legally separate from the County, the Recreation Authority is reported as if it were a part of the primary government because its sole purpose is to finance, construct, equip, and expand County park facilities. Bond issuance authorizations are approved by the County's governing authority and the County is legally obligated to provide resources in case there are deficiencies in debt service payments. At December 31, 2015, the authority had no assets, liabilities, or fund equity. In addition, during 2015, 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, 2015, the authority had no assets, liabilities, or fund equity. In addition, during 2015, 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, 2015, the authority had no assets, liabilities, or fund equity. In addition, during 2015, 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 operated on a fiscal year-end of June 30 through June 30, 2015 then changed to a December 31 year end as of December 31, 2015. The financial information presented in this report for the Gwinnett County Library is for 18 months of activity, July 1, 2014 through December 31, 2015.

Complete financial statements, for the year ended June 30, 2015 and the six month period ended December 31, 2015, of the Library may be obtained at the entity’s administrative office at the following address:

Gwinnett County Public Library  
1001 Lawrenceville Highway  
Lawrenceville, GA 30046

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

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

75 Langley Drive  
Lawrenceville, GA 30046

The **Gwinnett County Board of Health d/b/a the Gwinnett County Health Department** is considered a discretely presented component unit based upon the criteria in GASB Statements No. 14 and 61. The Board of Health consists of seven members. Two members are appointed by the City of Lawrenceville. The Gwinnett Board of Commissioners appoints three members, and the Chairman of the Board of Commissioners (or their designee) serves as a member. The County Superintendent of Schools rounds out the membership. County appointments or members make up the majority of the Board of Health. The County contributed approximately 6.2 percent of the board's revenues during its fiscal year ended June 30, 2015. Because the County appoints the majority of the board and because of the financial relationship between the Health Department and the County, the Health Department is reported as a discretely presented component unit.

The Board of Health operates on a June 30 fiscal year. The financial information presented for this discretely presented component unit is as of June 30, 2015.

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 \$846,100 to the ARC for the year ended December 31, 2015. The RC Board membership includes the chief elected official of each county and municipality of the area. *O.C.G.A. §50-8-39.1* provides that the member governments are liable for any debts or obligations of an RC. Complete financial statements of the RC may be obtained at the following address:

Atlanta Regional Commission  
40 Courtland Street NE  
Atlanta, GA 30303

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Major revenue sources which are susceptible to accrual are property tax, sales tax, insurance premium tax, and intergovernmental revenue. Similar to accrual accounting, expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. For 2015, the County has recorded a \$31.9 million receivable and unavailable revenue for insurance premium tax due from the state of Georgia for taxes collected in 2015, which will be paid to the County in 2016. The County has recorded a \$5.5 million receivable and unavailable revenue for property taxes and special assessments levied in 2015 and prior years, but expected to be collected in 2016 (adjusted for an allowance for doubtful accounts). The County also recorded a \$ 4.1 million receivable and unavailable revenue for emergency medical services provided in 2015 but expected to be collected in 2016 (adjusted for an allowance for doubtful accounts).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash and cash equivalents include demand deposits and savings accounts with financial institutions and deposits with fiscal agents. State of Georgia statutes and the County's investment policy authorize the County to invest in direct obligations of the U.S. government; obligations insured or guaranteed by the U.S. government or a U.S. government agency; obligations of any U.S. government instrumentally or sponsored corporation; prime bankers' acceptances; obligations of the state of Georgia and its political subdivisions; certain collateralized repurchase agreements; certain customized and collateralized bank products; and the state of Georgia Office of State Treasurer Georgia Fund—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. The Georgia Fund—I is managed by the Office of the State Treasurer under the policies included in Georgia Law O.C.G.A. §36–83–1 and §36–83–8. The Georgia Fund—I is reported at fair value. (See **Note 3 – Cash, Cash Equivalents, and Investments for additional information**).

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

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

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

#### **F. Inventories**

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

#### **G. Prepaid Items**

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

#### **H. Capital Assets**

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

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

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the Water and Sewerage Fund is included as part of the capitalized value of the assets. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until completion of the project) with interest earned on investment proceeds over the same period. There was no capitalizable interest in 2015.

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

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

**I. Restricted Assets**

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

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

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports the deferred charge on debt refunding and pension experience differences, pension assumption changes, and pension investment returns differences as deferred outflows of resources in the proprietary funds and the governmentwide statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Pension related deferred outflows of resources are discussed more in **Note 12**.

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

Unavailable Revenues	General	Fire and EMS Services District	Police Services District	Non-major governmental	Total
Property taxes	\$ 3,411	\$ 970	\$ 374	\$ 571	\$ 5,326
Insurance premium taxes	–	–	31,885	–	31,885
Emergency medical services	–	4,107	–	–	4,107
Special assessments	–	–	–	168	168
Total	\$ 3,411	\$ 5,077	\$ 32,259	\$ 739	\$ 41,486

**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, 2015, it is the County's policy to fund the normal cost and amortization of any unfunded prior service cost over 12 years. As discussed in **Note 12**, a defined contribution plan was established effective August 1, 2000, to provide retirement benefits for appointed employees, appointed officials, and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new employees. The County provides certain other benefits to retirees and otherwise terminated employees as post-employment benefits.

## N. Long-term Obligations

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

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

## O. Fund Balance

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

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

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

- Committed
- Assigned
- Unassigned

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

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

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

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

#### **P. Net Position**

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

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

#### **Q. Interfund Transactions**

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

#### **R. Connection Charges**

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

#### **S. System Development Charges**

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

**T. Statement of Cash Flows**

For purposes of the statement of cash flows, cash management pools, deposits in the Georgia Fund—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.

**W. Restatement of 2014 Net Position and Fund Balance**

In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standards No. 68, "Accounting and Financial Reporting for Pensions," 2014 Governmentwide net position has been restated for both Governmental Activities and Business-type activities to record the effects of reporting net pension liability and the related deferred outflows of resources.

These restatements affected the beginning net position in the governmentwide statements and fund statements as follows:

	Governmentwide Statements			Fund Statements			
	Governmental Activities	Business-type Activities	Component Units	Water and Sewer Fund	Stormwater Fund	Other Enterprise Funds	Internal Service Funds
2014 net position, as previously reported	\$ 3,507,185	\$ 3,004,752	\$ 13,114	\$ 2,502,021	\$ 444,311	\$ 59,109	\$ 78,018
Effect of recording net pension liability on the Statement of Net Position	(250,372)	(13,513)	(31,253)	(11,664)	(1,661)	(188)	(7,854)
2014 net position, as restated	\$ 3,256,813	\$ 2,991,239	\$ (18,139)	\$ 2,490,357	\$ 442,650	\$ 58,921	\$ 70,164



### Legal Compliance – Budgets

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

1. Prior to December 1, the Chairman submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following January 1.
2. In December, the Board of Commissioners holds a public hearing on the proposed budget to obtain citizen comments.
3. The Board of Commissioners formally adopts the budget (or continuation budget if the Commission requires additional review of the proposed budget) at the first regular meeting in January of the current budget year. Once the Commission has agreed on the proposed budget, a resolution is adopted by the Commission replacing the proposed budget. A balanced budget is required by law. The budget specifies the anticipated funding sources for each fund and appropriations for proposed expenditures to the departments or organization units named in each fund.
4. Expenditures of any Operating Budget Fund or Capital Budget Fund shall not exceed the appropriations authorized by the budget and amendments thereto or actual funding sources, whichever is less.
5. Expenditures of any Operating Budget Fund or Capital Budget Fund are subject to the policies as established by the Board of Commissioners and the County Administrator.
6. Proceeds from the tax on insurance premiums in the amount of \$27,143,782 are recorded within the Police Services Special District Fund for the primary purpose of funding police protection to inhabitants of unincorporated Gwinnett in its entirety, budgeted at \$92,760,083 and remaining funding of \$65,616,301 anticipated from direct revenues and taxes.
7. Certain capital project budgets are adopted as multiple-year project budgets as provided for in *O.C.G.A. § 36-81-3 (b)(2)*.
8. Indirect Cost Allocations and Contributions as appropriated in any Fund within the various accounts of a Department or Agencies are restricted for the express purpose as designated.
9. A vacancy period for a minimum of ninety days shall ensue immediately upon the separation of employment by an employee from a County department or Agency.
10. Transfers of appropriations in any Fund among the various categories within a Department or Agency shall require only the approval of the Director of Financial Services so long as the total budget for each Department or Agency is not increased.
11. The County's legal level of budgeting control (the level at which expenditures may not exceed appropriations) is at the department level for each fund for which a budget is required with the following provision:

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

The Department Director to:

- (a) set fee structures provided that they are not restricted by rate setting policies and agreements; and
- (b) allocate funds previously approved between existing capital projects within the same category of projects within Department or Agency.

The Director of Financial Services to:

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

The County Administrator to:

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

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



12. Annual appropriated budgets are legally adopted for the General Fund, Special Revenue Funds, the Debt Service Fund, and Capital Projects Funds. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into proprietary fund general ledgers. All appropriations lapse at fiscal year-end.
13. Actual expenditures of each fund for the year may not exceed the budget for that fund, or amendments thereto, and may not exceed actual funding sources.
14. The Board of Commissioners shall approve increases in authorized positions. Vacant positions may be reallocated within the same Department or Agency or reassigned to another Department or Agency, and filled authorized positions may be reassigned at the same grade level between a Department or Agency with the authorization of the County Administrator.
15. The County Administrator is granted authority to authorize benefits pursuant to *O.C.G.A. § 47-23-106* for retired Superior Court Judges.
16. The compensation for county appointments by the Board of Commissioners to the various Boards and Authorities has been set. This does not preclude any department from reimbursing those members for actual expenditures incurred in the performance of duty.
17. In accordance with the *Official Code of Georgia Annotated Section 33-8-8.3(a)(1)*, the proceeds from the tax on insurance premiums shall be used solely for the purposes of funding police protection to inhabitants of the unincorporated areas of the county.
18. Eligible County employees may receive a pay increase as specified in the 2015 Compensation Plan. Pay increases shall be administered in accordance with current procedures as established by the County Administrator. Employee pay increases for any and all years beyond 2015 will depend upon availability of funds and appropriations by the Board of Commissioners.

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

The original budget for the year ended December 31, 2015, was amended through supplemental appropriations as follows (in thousands of dollars):

	Original Appropriation Budget	Increase in Appropriation	Amended Appropriation Budget
General Fund	\$ 246,308	\$ 33,571	\$ 279,879
Special Revenue Funds	302,608	47,103	349,711
Debt Service Fund	4,142	–	4,142
Capital Projects Funds	252,882	(53,126)	199,756

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	\$ 145,219	\$ 45,430	\$ 45,972	\$ 78,267	\$ 15,867	\$ 605,080
GASB 31 market adjustments	211	42	(9)	68	–	1,236
Budget basis	\$ 145,430	\$ 45,472	\$ 45,963	\$ 78,335	\$ 15,867	\$ 606,316



## Note 3.

### Cash, Cash Equivalents, and Investments

Following are the components of the County's cash, cash equivalents, and investments as of December 31, 2015 (in thousands of dollars):

	Unrestricted	Restricted	Agencies	Pension and Other Employee Trust Funds	Primary Government Total
Cash and Equivalents	\$ 660,391	\$ 43,403	\$ 30,956	\$ 27,006	\$ 761,756
Investments	724,756	–	–	984,156	1,708,912
Total	\$ 1,385,147	\$ 43,403	\$ 30,956	\$ 1,011,162	\$ 2,470,668

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

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

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

### Interest Rate Risk – County Investments

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

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

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

On December 31, 2015, 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, 2015, 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	\$ 403,886,448	1.84	AAA
Federal mortgage-backed securities/collateralized mortgage obligations	151,848,045	1.29	AA+
Georgia state securities	1,006,270	3.00	AAA
U.S. treasury notes	14,674,290	1.90	AAA
State of Georgia GAI BNYM Bonds	39,517,844	0.098	AAAf
State of Georgia GA I	515,351,673	0.098	AAAf
Total cash equivalents and investments	\$ 1,126,284,570		



## Pension Trust Fund Investments

As of December 31, 2015, the Pension Trust Fund had \$870,825,000 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	53,396	<b>AAA</b>
U.S. treasury bonds	1,055	-
Asset-backed securities	4,991	<b>AAA</b>
Asset-backed securities	3,951	<b>AA</b>
Asset-backed securities	3,550	<b>A</b>
Asset-backed securities	2,432	<b>BAA</b>
Asset-backed securities	4,860	-
Collateralized mortgage obligations	943	<b>AAA</b>
Collateralized mortgage obligations	1,873	<b>BAA</b>
Collateralized mortgage obligations	1,095	-
Non-U.S. government bonds	585	<b>A</b>
Non-U.S. government bonds	11,525	<b>BAA</b>
Non-U.S. government bonds	12,981	-
Futures contracts	56	-
Corporate bonds	903	<b>AAA</b>
Corporate bonds	5,857	<b>AA</b>
Corporate bonds	21,987	<b>A</b>
Corporate bonds	36,818	<b>BAA</b>
Corporate bonds	184	<b>BA</b>
Corporate bonds	1,202	-
Commercial mortgage-backed securities	3,016	<b>AAA</b>
Commercial mortgage-backed securities	1,997	<b>AA</b>
Commercial mortgage-backed securities	2,071	<b>A</b>
Commercial mortgage-backed securities	1,694	<b>BAA</b>
Commercial mortgage-backed securities	1,712	-
Preferred stock	328	<b>A</b>
Preferred stock	576	<b>BAA</b>
International equities	122,671	-
Corporate equities	475,697	-
U.S. government agencies	38,817	<b>AAA</b>
U.S. government agencies	11,321	-
Global fixed income	40,548	-
Taxable municipal bonds	133	<b>AA</b>
Total	<u>\$ 870,825</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, 2015, 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, 2015, the Pension Trust Fund had \$870,825,000 invested in the following types of investments (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	54,451	10.95
Asset-backed securities	19,784	4.68
U.S. government agencies	50,138	19.79
Commercial mortgage-backed securities	10,490	27.65
Futures contracts	56	11.77
Corporate bonds	66,951	10.51
Collateralized mortgage obligations	3,911	17.93
Corporate equities	475,697	–
Non-U.S. government bonds	25,091	16.23
International equities	122,671	–
Preferred stock	904	–
Global fixed income	40,548	–
Taxable municipal bonds	133	24.22
Total	\$ 870,825	

**Interest Rate Risk** – The Pension Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 70 percent at market value, and Fixed Income Securities between 25 percent and 50 percent and between 0 percent and 5 percent in Alternative Investments. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2015, the Fixed Income Assets had an effective duration of 5.62 years compared to the Barclays Capital U.S. Aggregate of 5.97 years. The weighted average yield to maturity of the Portfolio was 3.20 percent compared to the Barclays Aggregate of 2.58 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, 2015, \$122,671,000, or 14.1 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	\$ 1,412
British pound	50,072
Canadian dollar	7,987
Swiss Franc	2,113
Euro	452
U.S. dollars invested in mutual funds with only international holdings*	60,635
Total	<u>\$ 122,671</u>

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

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

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

These futures contracts are exchange-traded securities to buy or sell United States treasuries at a future date (March 2016, 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 \$8,052,087 on the maturity date in March 2016, while the Pension Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of \$10,087,229 on the maturity date in March 2016. These contracts had no significant value when entered into during 2015, and the change in the fair value is an increase of \$56,000 resulting in a net fair value balance of these contracts at December 31, 2015, of \$56,000.

The fair values of the futures contracts were estimated using market rates at year-end for similarly traded contracts and, in order to limit credit risk, these contracts were entered into with national financial institutions with high credit quality. Interest rate risk is minimized due to the relatively short maturity date of these contracts as they mature in March 2016.

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

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

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

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

As of December 31, 2015, the OPEB Trust Fund had \$113,331,000 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment	Fair Value	Credit Quality	Investment	Fair Value	Credit Quality
U.S. treasury bonds	6,949	AAA	Corporate bonds	2,862	A
U.S. treasury bonds	137	–	Corporate bonds	4,791	BAA
Asset-backed securities	650	AAA	Corporate bonds	24	BA
Asset-backed securities	514	AA	Corporate bonds	157	–
Asset-backed securities	462	A	Corporate equities	61,908	–
Asset-backed securities	317	BAA	International equities	15,965	–
Asset-backed securities	632	–	Global fixed income	5,277	–
Commercial mortgage-backed securities	393	AAA	U.S. government agencies	5,052	AAA
Commercial mortgage-backed securities	259	AA	U.S. government agencies	1,473	–
Commercial mortgage-backed securities	270	A	Non-U.S. government bonds	76	A
Commercial mortgage-backed securities	220	BAA	Non-U.S. government bonds	1,500	BAA
Commercial mortgage-backed securities	223	–	Non-U.S. government bonds	1,690	–
Collateralized mortgage obligations	123	AAA	Taxable municipal bonds	17	AA
Collateralized mortgage obligations	244	BAA	Preferred stock	43	A
Collateralized mortgage obligations	142	–	Preferred stock	75	BAA
Corporate bonds	117	AAA	Futures contracts	7	–
Corporate bonds	762	AA	Total	\$ 113,331	

**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, 2015, the OPEB Trust Fund did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented more than 5 percent of plan net position.

As of December 31, 2015, the OPEB Trust Fund had \$113,331,000 invested in the following types of investments (dollars in thousands):

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	7,086	10.95
Asset-backed securities	2,575	4.68
U.S. government agencies	6,525	19.79
Commercial mortgage-backed securities	1,365	27.65
Futures contracts	7	11.77
Corporate bonds	8,713	10.51
Collateralized mortgage obligations	509	17.93
Corporate equities	61,908	–
International bonds	3,266	16.23
International equities	15,965	–
Preferred stock	118	–
Global fixed income	5,277	–
Taxable municipal bonds	17	24.22
Total	\$ 113,331	

**Interest Rate Risk** – The OPEB Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: Equity Securities between 50 percent and 70 percent at market value, and Fixed Income Securities between 25 percent and 50 percent and between 0 percent and 5 percent in Alternative Investments. Fixed Income Securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2015, the Fixed Income Assets had an effective duration of 5.62 years compared to the Barclays Capital U.S. Aggregate of 5.97 years. The weighted average yield to maturity of the Portfolio was 3.20 percent compared to the Barclays Aggregate of 2.58 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, 2015, \$15,965,000, or 14.1 percent of OPEB Plan investment assets, had exposure of foreign currency risk through investments in foreign companies. The international equities by related currency (in thousands of dollars) are as follows:

Investment	Amount
Australian dollar	\$ 184
British pound	6,516
Canadian dollar	1,039
Swiss Franc	275
Euro	59
U.S. dollars invested in a mutual fund with only international holdings*	7,892
Total	\$ 15,965

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



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

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

These futures contracts are exchange-traded securities to buy or sell United States treasuries at a future date (March 2016, in the case of these contracts) for a specific price. These futures contracts obligate the OPEB Trust Fund to purchase United States treasury notes with a notional amount of \$1,047,914 on the maturity date in March 2016, while the OPEB Trust Fund also has futures contracts obligating it to sell United States treasury notes with a notional amount of \$1,312,771 on the maturity date in March 2016. These contracts had no significant value when entered into during 2015, and the change in the fair value is an increase of \$7,000, resulting in a net fair value balance of these contracts at December 31, 2015, of \$7,000.

The fair values of the futures contracts were estimated using market rates as of year-end for similarly traded contracts and, in order to limit credit risk, these contracts were entered into with national financial institutions with high credit quality. Interest rate risk is minimized due to the relatively short maturity date of these contracts as they mature in March 2016.

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

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

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

## Note 4.

### Property Taxes

The County's property taxes were levied on the assessed values of all real property including mobile homes and motor vehicles located in the county. The assessed value at January 1, 2015, upon which the 2015 levy was based, was the taxable assessed value of \$25,903,552,328 (40 percent of the estimated actual taxable value of \$64,758,880,820).

The County's 2015 millage rate of 13.579 mills includes a rate of 7.229 mills for general purposes, 0.36 mills for Development and Enforcement Services District\*; 3.20 mills for Fire and Emergency Medical Services District\*; 1.60 mills for Police Services District\*; 0.24 mills for general obligation bonds; and 0.95 mills for recreation purposes.

Property taxes for fiscal year 2015 were due in a single installment on October 15.

Levy date	January 1, 2015
Tax bills mailed by	August 15, 2015
Payment due dates	October 15, 2015
Delinquency dates	October 16, 2015
Approximate lien date	February 16, 2016

\* 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, 2015, were as follows (in thousands of dollars):

<b>Taxes receivable:</b>	
General Fund	\$ 1,640
Fire and EMS District	502
Development and Enforcement Services District	34
Police Services District	193
Other Governmental Funds	305
	<hr/>
	\$ 2,674
	<hr/>
<b>Accounts receivable:</b>	
Fire and EMS District	\$ 4,114
Water and Sewerage Fund	1,932
Stormwater Fund	315
Other Enterprise Funds	213
	<hr/>
	\$ 6,574
	<hr/>

## Note 6.

### Due From Other Governments

The total amount due from other governments as of December 31, 2015, is \$53,660,000. A total of \$31,885,000 is due from the state of Georgia for insurance premium tax collected by the state in 2015, but not yet paid to the County. This amount was estimated using the amount received for 2015 and adjusting it for projected population growth or decline. A total of \$14,764,000 is due from the state for sales tax. A total of \$108,000 is due from cities for 2015 E-911 expenditures. The majority of the remaining \$6,903,000 is due from various grant agencies.

## Note 7.

### Capital Assets

The County's Capital Asset activity for the year ended December 31, 2015, was as follows (in thousands of dollars):

#### Primary Government

	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 703,790	32,956	917	735,829
Construction in progress	63,733	107,049	81,763	89,019
Total capital assets, not being depreciated	767,523	140,005	82,680	824,848
Capital assets, being depreciated:				
Land Improvements	457,225	3,134	73	460,286
Buildings	727,441	10,678	–	738,119
Equipment	182,945	18,820	7,444	194,321
Vehicles	97,581	11,414	5,974	103,021
Infrastructure	1,088,308	27,701	–	1,116,009
Total capital assets, being depreciated	2,553,500	71,747	13,491	2,611,756
Less accumulated depreciation for:				
Land Improvements	132,099	16,262	381	147,980
Buildings	202,532	16,957	1,287	218,202
Equipment	130,850	14,713	6,101	139,462
Vehicles	62,658	9,071	5,776	65,953
Infrastructure	327,682	25,740	–	353,422
Total accumulated depreciation	855,821	82,743	13,545	925,019
Total capital assets, being depreciated, net	1,697,679	(10,996)	(54)	1,686,737
Governmental-type activities capital assets, net	\$ 2,465,202	129,009	82,626	2,511,585

Note: The decrease in construction in progress is greater than the increase in depreciable capital assets because some of the values were moved to the Land category.

**Governmental Activities:**

General Government	\$ 8,559
Public Safety	16,025
Judiciary	4,260
Public Works	32,307
Culture and Recreation	20,742
Housing and Development	850
Total Depreciation expense – governmental activities	<u>\$ 82,743</u>

	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 70,860	452	–	71,312
Construction in progress	107,766	89,323	76,925	120,164
Total capital assets, not being depreciated	178,626	89,775	76,925	191,476
Capital assets, being depreciated:				
Buildings	842,870	5,838	3,035	845,673
Improvements	3,156,732	85,093	29,106	3,212,719
Equipment	522,061	23,576	10,987	534,650
Vehicles	43,911	754	931	43,734
Infrastructure	5,656	–	–	5,656
Total capital assets, being depreciated	4,571,230	115,261	44,059	4,642,432
Less accumulated depreciation for:				
Buildings	168,099	19,063	770	186,392
Improvements	677,952	49,252	14,514	712,690
Equipment	283,186	29,968	7,977	305,177
Vehicles	30,320	2,492	688	32,124
Infrastructure	511	221	–	732
Total accumulated depreciation	1,160,068	100,996	23,949	1,237,115
Total capital assets, being depreciated, net	3,411,162	14,265	20,110	3,405,317
Business-type activities capital assets, net	\$ 3,589,788	104,040	97,035	3,596,793

**Business-Type Activities:**

Water and sewer	\$ 81,123
Airport	459
Solid waste	284
Stormwater	16,800
Transit	2,330
Total depreciation expense – business-type activities	<u>\$ 100,996</u>

**Construction and Other Commitments**

The County has active construction projects and other commitments as of December 31, 2015. At year-end the County's commitments with contractors are as follows (in thousands of dollars):

Contract value	\$ 1,813,901
Spent-to-date	1,070,994
Remaining commitments	<u>\$ 742,907</u>

**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 18 months ended December 31, 2015:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	\$ 3,360	354	170	\$ 3,544
Less accumulated depreciation	2,217	477	170	2,524
Net capital assets	\$ 1,143	(123)	–	\$ 1,020

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, 2015:

	Beginning Balance	Increase	Decrease	Ending Balance
Equipment	\$ 2,449	188	–	\$ 2,637
Capital Assets	771	–	–	771
Less accumulated depreciation	1,918	170	–	2,088
Net capital assets	\$ 1,302	18	–	\$ 1,320

## Note 8.

### Long-term Obligations

The following is a summary of changes in long-term obligations for the year ended December 31, 2015 (in thousand of dollars):

<b>Governmental Activities:</b>	January 1, 2015	Additions	Retirements	December 31, 2015	Amounts due within one year
General obligation bonds	\$ 19,145	–	(3,480)	15,665	3,690
Amounts for issuance premiums	1,225	–	(446)	779	–
<b>Total bonds payable</b>	20,370	–	(3,926)	16,444	3,690

Lease payable	87,520	–	(2,975)	84,545	3,110
Accumulated leave benefits	18,277	15,032	(13,774)	19,535	12,710
Estimated claims payable	7,863	20,972	(20,298)	8,537	3,964
Net pension liability	97,253	205,501	(35,548)	267,206	–
<b>Total governmental activity long-term liabilities</b>	\$ 231,283	241,505	(76,521)	396,267	23,474

<b>Business-Type Activities:</b>					
Revenue bonds	\$ 806,275	127,215	(188,005)	745,485	65,430
Amounts for issuance premiums	29,502	–	(5,495)	24,007	–
<b>Total bonds payable</b>	835,777	127,215	(193,500)	769,492	65,430

Notes payable	47,872	–	(2,552)	45,320	2,629
Accumulated leave benefits	2,336	1,994	(1,767)	2,563	1,553
Net pension liability	13,513	28,556	(4,940)	37,129	–
<b>Total business-type activity long-term liabilities</b>	\$ 899,498	157,765	(202,759)	854,504	69,612

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, \$2,488,000 of internal service fund accumulated leave benefits and \$8,537,000 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, and Grants Funds. Estimated claims payable is liquidated by the Group Self-Insurance, Risk Management, and Auto Liability internal service funds.

For business-type activities, accumulated leave benefits 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 government-wide statement of net position. General obligation bonds outstanding as of December 31, 2015, 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	–	15,665
					\$ 22,555	\$ –	\$ 15,665

### 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, 2015, were as follows (in thousands of dollars):

Business Type	Interest Rate %	Interest Dates	Issue Date	Maturity Date	Authorized and Issued	Cumulatively Retired	Outstanding
2005 Water and Sewerage Refunding	3.0 – 4.5	2/1 – 8/1	3/17/05	8/1/22	\$ 259,600	\$ 259,600	\$ –
2006 Water and Sewerage Refunding	3.75 – 4.5	2/1 – 8/1	3/9/06	8/1/25	121,375	9,940	111,435
2008 Water and Sewerage	4.0 – 5.0	2/1 – 8/1	8/21/08	8/1/28	190,000	25,900	164,100
2009A Water and Sewerage	1.87 – 4.0	2/1 – 8/1	10/22/09	8/1/28	235,575	58,970	176,605
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	21,440	142,175
2015 Water and Sewerage Refunding	1.74	2/1 – 8/1	8/3/15	8/1/22	127,215	–	127,215
					\$ 1,121,335	\$ 375,850	745,485
Premiums							24,007
Net Business-Type Bonds Outstanding							\$ 769,492

The annual requirements to amortize bonds payable as of December 31, 2015, excluding unamortized bond premiums of \$24,786,000, were as follows (in thousands of dollars):

Year Ended December	General Obligation		Business-Type Revenue		Total
	Principal	Interest	Principal	Interest	
2016	3,690	498	65,430	29,947	99,565
2017	3,865	395	67,355	27,939	99,554
2018	3,960	287	69,345	25,843	99,435
2019	4,150	104	53,155	23,564	80,973
2020	–	–	55,350	21,364	76,714
2021 – 2025	–	–	317,070	70,744	387,814
2026 – 2029	–	–	117,780	13,214	130,994
<b>Total</b>	<b>\$ 15,665</b>	<b>\$ 1,284</b>	<b>\$ 745,485</b>	<b>\$ 212,615</b>	<b>\$ 975,049</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	\$ 3,650	\$ 8,350
2008 Stadium	5.4 – 6.6	1/01 – 07/01	04/01/08	1/1/38	33,000	1,160	31,840
2010 Civic Center	2.0 – 5.0	03/01 – 09/01	11/09/10	9/1/31	52,660	8,305	44,355
<b>Subtotal</b>					<b>\$ 97,660</b>	<b>\$ 13,115</b>	<b>84,545</b>
Premium							4,003
<b>Total</b>							<b>\$ 88,548</b>

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

The estimated annual requirements to amortize the bonds payable as of December 31, 2015, were as follows (in thousands of dollars):

**Development Authority Revenue Bonds Annual Requirements**

Year Ended December 31	Principal	Interest	Total Debt Service
2016	3,110	4,473	7,583
2017	3,260	4,325	7,585
2018	3,430	4,151	7,581
2019	3,610	3,967	7,577
2020	3,795	3,775	7,570
2021 – 2025	22,020	15,853	37,873
2026 – 2030	24,985	10,182	35,167
2031 – 2035	13,105	4,190	17,295
2036 – 2038	7,230	736	7,966
<b>Total</b>	<b>\$ 84,545</b>	<b>\$ 51,652</b>	<b>\$ 136,197</b>

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

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

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

	Cost	Accumulated Depreciation	Book Value
Land	\$ 5,000	\$ –	\$ 5,000
Land improvements	18,833	(4,174)	14,659
Buildings	147,997	(34,858)	113,139
Equipment	2,872	(1,915)	957

The amortization expense for fiscal year 2015 is included in depreciation expense.

## **Advance Refunding of Debt**

In 2005, the County advance refunded that portion of the Series 1997 Water and Sewerage Revenue Bonds maturing on and after August 1, 2011, in the aggregate principal amount of \$97,200,000; that portion of the Series 1998 Bonds maturing on and after August 1, 2009, in the aggregate principal amount of \$102,380,000; and that portion of the Series 1999 Bonds maturing on and after August 1, 2011, in the aggregate amount of \$50,000,000. The net proceeds of \$259,600,000 from the 2005 Water and Sewerage Refunding Bonds were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$16,085,880, resulting in a net present value savings to the County of \$13,543,952. The refunded bonds are considered defeased. At December 31, 2015, \$123,905,000 of outstanding revenue bonds were considered defeased.

In 2006, the County advance refunded that portion of the Series 2002 Water and Sewerage Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of \$116,500,000. With an original principal amount of \$121,375,000, net proceeds of \$114,945,000 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a decrease in future debt service payments of \$7,687,038, resulting in a net present value savings to the County of \$4,858,834. The refunded bonds are considered defeased. At December 31, 2015, \$110,100,000 of outstanding revenue bonds were considered defeased.

In 2011, the County advance refunded that portion of the Series 2003B Water and Sewerage Revenue Bonds maturing on and after August 1, 2013, in the aggregate principal amount of \$170,360,000. With an original principal amount of \$163,615,000, net proceeds of \$188,873,037 were deposited in irrevocable trusts with an escrow agent to provide all future debt service payments on the refunded bonds. The result of this transaction is a true-interest cost of 2.89 percent and a net present value debt service savings of approximately \$9.43 million. The refunded bonds are considered defeased. At December 31, 2015, \$148,125,000 of outstanding 2003B revenue bonds were considered defeased.

In September and October 2014, the Gwinnett Water and Sewerage Authority and the Gwinnett Board of Commissioners approved resolutions allowing the authority to move forward with refunding the callable maturities of the 2005 Water and Sewerage Revenue Bonds on a forward/delayed delivery basis. The agenda item awarded the transaction to Citigroup (as the placement agent)/JP Morgan Chase (as the purchaser of these bonds). The date of issuance for these bonds was August 3, 2015. The interest rate was set at 1.74 percent. The result of this transaction is a total debt service savings of \$9.8 million and a present value savings of \$9.2 million. The debt service savings will begin in 2016. At December 31, 2015, \$126,955,000 of outstanding 2005 revenue bonds were considered defeased.

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

In March 2016, the Gwinnett County Water and Sewerage Authority and the Gwinnett County Board of Commissioners approved resolutions authorizing staff to move forward with a direct purchase advance refunding of the callable maturities (2019 – 2028) of the 2008 Water and Sewerage Authority Revenue bonds. The bonds were awarded to Wells Fargo as they offered the lowest true interest rate of 1.69 percent and a net present value savings of \$18.5 million. The date of issuance for these bonds was May 19, 2016. The debt service savings will begin in 2016.

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

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

### Debt Margin

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The statutory limit at December 31, 2015 was \$2,590,355,000. At that date, amounts available in the Debt Service Fund of \$15,867,000 totaled \$202,000 more than the amount of debt outstanding, which means the County has used none of its legal debt limitation of \$2,590,355,000.

### Debt Covenants

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

### Notes Payable

The enterprise funds have several Georgia Environmental Finance Authority (GEFA) loans for the construction and acquisition of buildings and equipment. Notes payable outstanding as of December 31, 2015, were as follows (in thousands of dollars):

Enterprise Funds	Interest Rates %	Interest Dates	Maturity Dates	Notes Payable January 1, 2015	Additions	Retirements	Notes Payable December 31, 2015
GEFA (CW4005PA)	3.00	Monthly	11/1/28	\$ 41,337	\$ –	\$ (2,244)	\$ 39,093
GEFA (CW03-002NP)	3.00	Monthly	4/1/31	4,664	–	(225)	4,439
GEFA (09-055)	3.00	Monthly	6/1/32	1,871	–	(83)	1,788
				\$ 47,872	\$ –	\$ (2,552)	\$ 45,320

The annual requirements to pay the notes outstanding at December 31, 2015, including interest of approximately \$10,361,000, were as follows (in thousands of dollars):

Year Ended December 31	Principal	Interest	Total
2016	2,629	1,324	3,953
2017	2,709	1,243	3,952
2018	2,791	1,161	3,952
2019	2,876	1,076	3,952
2020	2,963	989	3,952
2021 – 2025	16,226	3,536	19,762
2026 – 2030	14,476	1,022	15,498
2031 – 2032	650	10	660
Total	\$ 45,320	\$ 10,361	\$ 55,681

### **Operating Lease Commitments**

The County leases certain equipment under operating leases. Rental expenses for all operating leases totaled \$5,436,276 for the year ended December 31, 2015. There were no significant future minimum rental payments, contingent rentals, or sublease rentals associated with leases in effect at December 31, 2015.

### **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, 2015, totaling \$834,301,486. The total amount of those bonds outstanding as of December 31, 2015, was \$549,164,077.

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



## Note 9.

### Interfund Balances and Transfers

Interfund receivables and payables as of December 31, 2015, are as follows (in thousands of dollars):

DUE TO	DUE FROM	
	Non-major Governmental	Total
General	\$ 1,292	\$ 1,292
Total	\$ 1,292	\$ 1,292

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

Interfund transfers for the year ended December 31, 2015, consisted of the following (in thousands of dollars):

TRANSFER TO	TRANSFER FROM							Total
	General	Fire and EMS District	Police Services District	Non-major Governmental	Non-major Enterprise	Water and Sewerage	Internal Service Funds	
General	\$ -	\$ -	\$ -	\$ 186	\$ -	\$ 165	\$ -	\$ 351
Fire and EMS District	4,988	-	-	-	-	-	-	4,988
Police Services District	2,494	-	-	-	-	-	-	2,494
Other Capital	34,572	18,352	31,123	8,292	-	-	1,146	93,485
2005 SPLOST	-	-	-	1	-	-	-	1
2009 SPLOST	-	-	-	50	-	-	-	50
Non-major Governmental	706	-	-	410	-	-	-	1,116
Non-major Enterprise	9,515	-	-	-	-	-	-	9,515
Stormwater	-	-	-	850	49	-	-	899
Water and Sewerage	-	-	-	130	-	-	-	130
Internal Service	-	-	-	154	-	-	-	154
Total	\$ 52,275	\$ 18,352	\$ 31,123	\$ 10,073	\$ 49	\$ 165	\$ 1,146	\$ 113,183

The majority of transfers from the General, Fire and EMS District, Police Services District, Non-major Governmental, and Internal Service Funds are to fund ongoing and planned capital projects and vehicle replacements. The General Fund transferred funds to the Transit Enterprise Fund to cover operating deficits. Also, a portion of the supplemental title *ad valorem* tax that was collected in the General Fund was distributed to the Fire and EMS District, Police Services District, and Development and Enforcement District Funds.

### Risk Management

#### A. Liability, Property, and Workers' Compensation

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

The Risk Management, Workers' Compensation, and Auto Liability Funds allocate the cost of providing claims service and claims payment by charging a "premium," which is an allocation to each department, agency, or public authority. These charges, which consider recent trends in actual claims experience of the County as a whole, are accounted for as interfund services provided and used. The County self-funds up to \$2,000,000 for general liability, errors and omissions, and law enforcement liability, with excess coverage of \$20,000,000. The County fully self-funds the automobile liability exposure up to \$500,000 for bodily injury or death of any one person in any one occurrence with an annual aggregate of \$700,000 for bodily injury or death of two or more persons in any one occurrence and \$50,000 because of injury to, or destruction of, property in any one occurrence and relies on governmental immunity above these levels. The County purchases direct coverage for property and crime insurance with a limit of \$1,400,000,000 and \$2,000,000, respectively. These policies provide for a \$100,000 deductible on property damage and a \$10,000 deductible on fidelity claims.

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

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

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

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

Changes in balances of claims liabilities for each of the two years in the two-year period ended December 31, 2015, were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2015	\$ 7,060,000	\$ 3,044,000	\$ 3,487,000	\$ 6,617,000
2014	8,191,000	3,349,148	4,480,148	7,060,000

At December 31, 2015, the Risk Management Fund held \$7,907,000 in cash and cash equivalents and the Auto Liability Fund held \$1,580,000 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 2015 and 2014 were as follows:

Fiscal Year	Beginning of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2015	\$ 803,000	\$ 17,928,000	\$ 16,811,000	\$ 1,920,000
2014	1,241,000	13,969,000	14,407,000	803,000

At December 31, 2015, the Group Self-Insurance Fund held \$15,320,000 in cash and cash equivalents available for payment of these claims.

### 2015 Claims for Active Employees:

In 2015, there were 1,508 active employees electing medical coverage under self-funded medical plans. The County pays approximately 84 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, 2015, were as follows (in thousands of dollars):

1,508 Active Employees Electing Medical Coverage	
Administrative Costs	\$ 783
Stop Loss Insurance	598
Claims Experience	16,811
Total	<u>\$ 18,192</u>

## Note 11.

### Deferred Compensation Plan

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

## Note 12.

### Pensions

#### A. General Information about the Pension Plan

##### Plan Description

The Gwinnett County Public Employees Retirement System (the "Plan") is a single-employer defined benefit pension plan. The present plan covers all employees of Gwinnett County who are members of the Defined Benefit Pension Plan. The Plan was created as a successor to a previous plan by action of the Board of Commissioners on September 19, 2006. The Retirement Plans Management Committee, composed of seven members who serve without compensation by the Plan, is the trustee of the Plan. The Bank of New York Mellon is the custodian for the Plan. Great-West Retirement Services, which was renamed Empower Retirement in 2015, is the third-party administrator of the Plan. Benefit provisions and contribution requirements are established and may be amended by the Retirement Plans Management Committee, subject to approval by the Gwinnett County Board of Commissioners.

##### Summary of Significant Accounting Policies

The Plan's significant accounting policies are as follows:

##### Basis of Accounting

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

##### Cash and Cash Equivalents

The Plan considers all liquid money market investments to be cash equivalents.

##### Valuation of Investments

Investments are recorded at fair value based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The net appreciation (depreciation) in the fair value of investments held by the Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the statement of fiduciary net position date. Investment income is recognized on the accrual basis as earned by the Plan.

##### Payment of Benefits

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

## Management Estimates

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

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

75 Langley Drive  
Lawrenceville, GA 30046

## Benefits Provided

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

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

Early retirement means the following when a Participant becomes eligible:

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

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

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

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

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

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

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

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

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

**Eligibility**

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

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

At January 1, 2015, the following employees were covered by the benefit terms:

**Plan Membership as of January 1, 2015**

Inactive members or beneficiaries currently receiving benefits	1,964
Inactive members entitled to but not yet receiving benefits	866
Active members	1,701
Total	4,531

**Contributions**

Gwinnett County is required to contribute an actuarially determined amount annually to the Plan's trust. The required contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in controlling state of Georgia statutes. Effective for the January 1, 2015 plan year, the required contribution rate, for County contributions, as a percent of pensionable earnings was set at 30.81 percent, and the County was contributing at a rate of 31.70 percent. The employees were required to contribute at an average rate of 6.88 percent of pensionable earnings.

**Net Pension Liability**

The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015 with update procedures performed by the actuary to roll forward the total pension liability measured as of December 31, 2015.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The assumptions used in the January 1, 2015 actuarial valuation were as follows:

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

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of the last actuarial experience study, dated January 27, 2010.

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

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

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flow used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the County will contribute the actuarially determined amount in subsequent years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payment of all current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the future projected benefit payments to determine the total pension liability. With the January 1, 2015 actuarial valuation, the Plan changed the discount rate from 8 percent to 7 percent.

## Changes in the Net Pension Liability

	Increase (Decrease)		Net Pension Liability (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balances at December 31, 2014	\$ 1,031,937,366	\$ 921,171,000	\$ 110,766,366
Changes for the year:			
Service cost	10,381,274	–	10,381,274
Interest	81,012,571	–	81,012,571
Difference between expected and actual experience	17,980,851	–	17,980,851
Changes in assumptions	121,861,698	–	121,861,698
Contributions – employer	–	33,636,000	(33,636,000)
Contributions – employee	–	6,852,000	(6,852,000)
Net investment income	–	(2,182,000)	2,182,000
Benefit payments, including refunds of employee contributions	(59,323,000)	(59,323,000)	–
Administrative expense	–	(638,000)	638,000
Net changes	171,913,394	(21,655,000)	193,568,394
Balances at December 31, 2015	\$ 1,203,850,760	\$ 899,516,000	\$ 304,334,760

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	\$ 449,960,546	\$ 304,334,760	\$ 182,473,062

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

For the year ended December 31, 2015, the County recognized pension expense of \$83,672,561. The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2015 (the measurement date).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,730,508	\$ –
Changes of assumptions	72,723,917	–
Net difference between projected and actual earnings on plan investments	60,077,408	–
<b>Total</b>	<b>\$ 143,531,833</b>	<b>\$ –</b>

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

Year ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 71,407,476	\$ –
2017	42,085,653	–
2018	15,019,352	–
2019	15,019,352	–
Thereafter	–	–

## B. Defined Contribution Pension Plan

The Gwinnett County Defined Contribution Pension Plan (the “DC Plan”) is a defined contribution pension plan established by Gwinnett County on August 1, 2000 to provide retirement benefits for appointed and elected officials. Effective January 1, 2007, all new eligible employees were required to participate in this plan, and the defined benefit plan was closed to new participants. The DC Plan is administered by Great-West Retirement Services, which was renamed Empower Retirement in 2015. On December 31, 2015, there were 2,930 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, 2015, the amount contributed by employees was \$5,073,247. The amount contributed by the County was \$11,494,459. Effective January 1, 2007, a one (1) percent match of pensionable earnings for each employee who contributes at least 2.5 percent to their 457(b) account is made by the County to the DC Plan. Employees hired before January 1, 2016, vest in the County contributions on the following schedule: after 1 year of service they are vested 33 percent, after 2 years of service they are vested 67 percent, and after 3 years of service they are vested 100 percent. Employees hired on or after January 1, 2016 vest in the County contributions on the following schedule: after 3 years of service they are vested 33 percent, after 4 years of service they are vested 67 percent, and after 5 years of service they are vested 100 percent.

The DC Plan also contains an additional benefit – the Retiree Medical Savings Plan (401h). This plan is also administered by Great-West Retirement Services. Great-West Retirement Services was renamed Empower Retirement in 2015. All contributions to this plan are made by the County at 1.5 percent of pensionable earnings. This plan is for employees hired prior to January 1, 2007. Upon retirement, employees may receive disbursements from this account for eligible medical expenses. In 2015, the County contributed \$421,445 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.

### Other Post-Employment Benefits

#### A. Plan Description

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

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

75 Langley Drive  
Lawrenceville, GA 30046

#### General

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

#### Retirement Options/Benefit Provisions

Eligible retirees and former employees who are not Medicare Eligible are offered the same health and prescription drug coverage as active employees. Medicare Eligible retirees and former employees who are Medicare Eligible are offered Medicare Advantage plans. Retirees pay approximately 33.2 percent of actuarially calculated and self-supporting monthly rates. The County contributes the remainder of the rates, but it caps its contribution at specific monthly limits. Participants pay 100 percent of the cost of vision and dental coverage.

#### Eligibility

Eligible participants for Other Post-Employment Benefits include:

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

## Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership in the OPEB Plan as of January 1, 2016.

Active participants	4,482
Retirees and beneficiaries	1,964
Total	<u>6,446</u>

## B. Contributions

In 2015, 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
2015	\$ 9,420	\$ 11,587	123.01%	\$ 33,624
2014	8,930	9,977	111.72%	31,456
2013	10,687	11,313	105.86%	30,409

The County's annual OPEB cost and net OPEB asset for the 2015 fiscal year were as follows:

Employer annual required contribution	\$ 9,895,038
Interest on net OPEB asset	(2,201,943)
Adjustment	1,726,432
Annual OPEB cost	<u>9,419,527</u>
Employer actual contributions to plan	11,586,988
Less: annual OPEB cost	<u>9,419,527</u>
Increase in net OPEB asset	2,167,461
Net OPEB asset, beginning of fiscal year	<u>31,456,330</u>
Net OPEB asset, end of fiscal year	<u>\$ 33,623,791</u>

### C. OPEB Plan

As of the most recent valuation date, January 1, 2016, the funded status of the OPEB Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/16	\$ 120,922,616	\$ 185,036,569	\$ 64,113,953	65.35%	\$ 224,111,746	28.61%

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, 2016 actuarial valuation were as follows:

#### Actuarial Methods and Assumptions:

Valuation date	January 1, 2016
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	29 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return*	7.00%
Medical cost trend rate:	
Pre-Medicare rate*	7.75% – 5.00%
Ultimate trend rate*	5.00%
Year of ultimate trend rate	2022
Post-Medicare rate*	5.75% – 5.00%
Ultimate trend rate*	5.00%
Year of ultimate trend rate	2019

\* Includes inflation at 3.00%

## Note 14.

### Fund Balances and Net Position

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

Nonspendable, restricted, committed, assigned, and unassigned fund balances in the various funds as of December 31, 2015, were as follows (in thousands of dollars):

Fund balances	General	Fire and EMS District	Police Services District	Other Capital Projects	2005 Sales Tax	2009 Sales Tax	2014 Sales Tax	Other Governmental	Total
<b>Nonspendable:</b>									
Inventories	\$ 1,117	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 234	\$ 1,351
Prepaid items	3,663	80	483	12	–	121	–	13	4,372
<b>Restricted for:</b>									
Capital projects	–	–	–	–	5,269	236,602	161,050	–	402,921
Debt service	–	–	–	–	–	–	–	15,867	15,867
Special projects:									
Street lighting	–	–	–	–	–	–	–	2,001	2,001
Speed humps	–	–	–	–	–	–	–	1,277	1,277
Document printing	–	–	–	–	–	–	–	2,380	2,380
Juvenile court supervision	–	–	–	–	–	–	–	97	97
Tourism	–	–	–	–	–	–	–	8,640	8,640
Stadium operations	–	–	–	–	–	–	–	1,106	1,106
Law enforcement – sheriff	–	–	–	–	–	–	–	906	906
Law enforcement – police	–	–	–	–	–	–	–	4,798	4,798
Crime victims assistance	–	–	–	–	–	–	–	1,317	1,317
Law enforcement – district attorney	–	–	–	–	–	–	–	286	286
Corrections inmate welfare	–	–	–	–	–	–	–	158	158
Sheriff inmate store	–	–	–	–	–	–	–	2,573	2,573
E-911 services	–	–	–	–	–	–	–	26,275	26,275
Loganville EMS district	–	–	–	–	–	–	–	780	780
Development and enforcement services district	–	–	–	–	–	–	–	8,595	8,595
Recreation district	–	–	–	–	–	–	–	15,572	15,572
Jimmy Carter Boulevard tax allocation district	–	–	–	–	–	–	–	802	802
Indian Trail tax allocation district	–	–	–	–	–	–	–	241	241
Park Place tax allocation district	–	–	–	–	–	–	–	12	12
Grants	–	–	–	–	–	–	–	2,810	2,810
Fire and EMS district	–	45,350	–	–	–	–	–	–	45,350
Police services district	–	–	45,489	–	–	–	–	–	45,489
<b>Committed to:</b>									
Tree replacement	–	–	–	–	–	–	–	204	204
<b>Assigned to:</b>									
General fund – 2016 budget: appropriation of fund balance	16,630	–	–	–	–	–	–	–	16,630
Capital projects:									
Information technology	–	–	–	19,770	–	–	–	–	19,770
Economic development/redevelopment	–	–	–	30,437	–	–	–	–	30,437
General government projects	–	–	–	42,077	–	–	–	–	42,077
Community services	–	–	–	8,663	–	–	–	–	8,663
Public safety	–	–	–	61,934	–	–	–	–	61,934
Capital vehicles	–	–	–	39,145	–	–	–	–	39,145
<b>Unassigned</b>	123,809	–	–	–	–	–	–	–	123,809
<b>Total fund balances</b>	<b>\$ 145,219</b>	<b>\$ 45,430</b>	<b>\$ 45,972</b>	<b>\$ 202,038</b>	<b>\$ 5,269</b>	<b>\$ 236,723</b>	<b>\$ 161,050</b>	<b>\$ 96,944</b>	<b>\$ 938,645</b>

## B. Net Position

Net position in the governmentwide statements as of December 31, 2015, was as follows (in thousands of dollars):

Net Position	Governmental Activities	Business-type Activities	Total
<b>Net investment in capital assets</b>	\$ 2,405,163	\$ 2,790,538	\$ 5,195,701
<b>Restricted for:</b>			
Capital projects:			
2005 sales tax capital project fund	5,269	–	5,269
2009 sales tax capital project fund	236,723	–	236,723
2014 sales tax capital project fund	161,050	–	161,050
Debt service	15,975	27,043	43,018
Special programs:			
Street lighting	2,166	–	2,166
Speed humps	1,280	–	1,280
Document printing	2,380	–	2,380
Juvenile court supervision	97	–	97
Tourism	8,640	–	8,640
Stadium operations	1,106	–	1,106
Law enforcement – sheriff	906	–	906
Law enforcement – police	4,801	–	4,801
Crime victims assistance	1,317	–	1,317
Law enforcement – district attorney	286	–	286
Corrections inmate welfare	158	–	158
Sheriff inmate store	2,573	–	2,573
E-911 services	26,275	–	26,275
Loganville EMS district	780	–	780
Development and enforcement services district	8,660	–	8,660
Recreation district	16,202	–	16,202
Jimmy Carter Boulevard tax allocation district	808	–	808
Indian Trail tax allocation district	246	–	246
Park Place tax allocation district	13	–	13
Grants	2,810	–	2,810
Fire and EMS district	50,507	–	50,507
Police services district	78,231	–	78,231
<b>Unrestricted</b>	294,332	309,121	603,453
<b>Total net position</b>	<b>\$ 3,328,754</b>	<b>\$ 3,126,702</b>	<b>\$ 6,455,456</b>

### 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.

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in 2015, **Parks and Recreation**  
**won the Outstanding Greenspace Award**  
for **Little Mulberry Park**  
from the Georgia Urban Forest Council?



**REQUIRED SUPPLEMENTARY  
INFORMATION**



## Required Supplementary Information Defined Benefit Pension Plan



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

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

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

## Required Supplementary Information Defined Benefit Pension Plan

### Schedule of County Contributions (in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined employer contribution	\$ 33,636	\$ 38,713	\$ 37,281	\$ 36,181	\$ 37,563	\$ 27,506	\$ 22,919	\$ 28,037	\$ 28,145	\$ 25,297
Actual county contributions	33,636	48,713	57,281	55,181	64,063	60,947	37,535	28,828	32,939	36,920
Annual contribution deficiency (excess)	\$ —	\$ (10,000)	\$ (20,000)	\$ (19,000)	\$ (26,500)	\$ (33,441)	\$ (14,616)	\$ (791)	\$ (4,794)	\$ (11,623)
Covered employee payroll	\$ 104,557	\$ 109,082	\$ 110,766	\$ 116,610	\$ 128,215	\$ 132,626	\$ 164,392	\$ 167,233	\$ 170,175	\$ 164,133
Actual contributions as a percentage of covered employee payroll	32.17%	44.66%	51.71%	47.32%	49.97%	45.95%	22.83%	17.24%	19.36%	22.49%

## Notes to the Required Supplementary Information

Methods and assumptions used in calculations of actuarially determined contributions

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

### Changes of benefit terms

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

### Changes of assumption

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

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

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

75 Langley Drive  
Lawrenceville, GA 30046

## Required Supplementary Information Other Post-Employment Benefits

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

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll (Prior year)	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
2016	\$ 120,923	\$ 185,037	65.4%	\$ 64,114	\$ 224,112	28.6%
2015	\$ 114,222	\$ 189,833	60.2%	\$ 75,611	\$ 215,187	35.1%
2014	\$ 106,219	\$ 177,474	59.9%	\$ 71,254	\$ 206,640	34.5%

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:

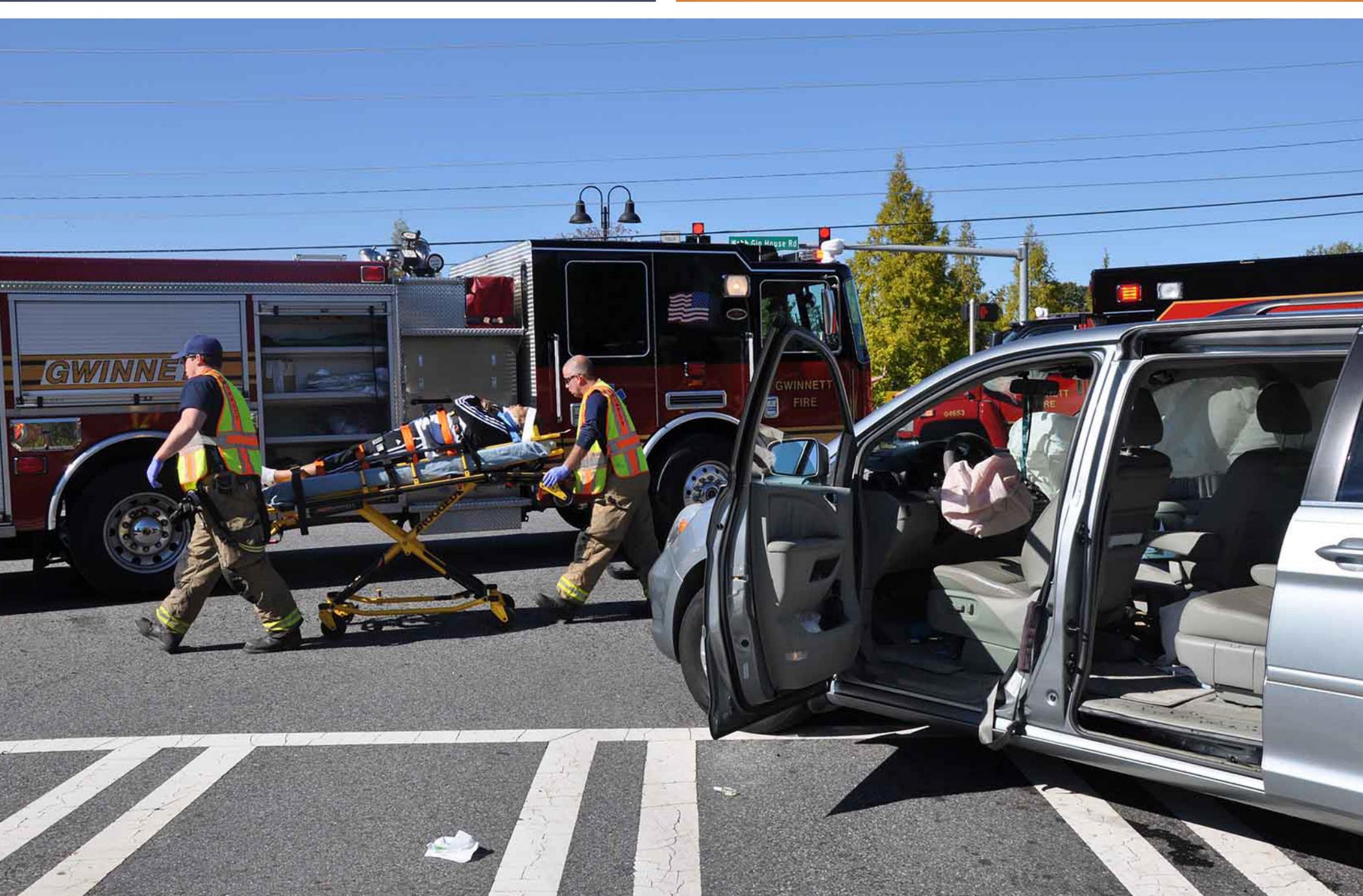
75 Langley Drive  
Lawrenceville, GA 30046

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**Clerk of Courts** won one of  
the **Top 10 Court Websites Awards**  
from the National Association  
for Court Management in 2015?



# 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 Infinite Energy Center (formerly the Gwinnett Center) and parking facility. Other expenditures associated with this fund are quarterly payments to the Gwinnett Convention and Visitors Bureau, per a management agreement. Debt service payments occur bi-annually in March and September.

### **Stadium Fund**

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

### **Sheriff Special Justice Fund**

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

### **Sheriff Special Treasury Fund**

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



### **Sheriff Special State Fund**

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

### **Police Special Justice Fund**

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

### **Police Special State Fund**

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

### **Crime Victims Assistance Fund**

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

### **District Attorney Federal Asset Sharing Fund**

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

### **Corrections Inmate Welfare Fund**

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

### **Sheriff Inmate Fund**

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

### **E-911 Fund**

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

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

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

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

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

### **Recreation District Funds**

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

### **Jimmy Carter Boulevard TAD Fund**

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

### **Indian Trail TAD Fund**

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

### **Park Place TAD Fund**

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

### **Grant Funds**

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

## **Debt Service Fund**

### **Debt Service Fund**

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

## Other Governmental Funds Combining Balance Sheet

December 31, 2015

(in thousands of dollars)

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice	Police Special State
<b>ASSETS:</b>												
Cash and cash equivalents	\$ 527	537	2,380	97	204	8,644	1,040	312	460	134	2,541	2,666
Investments	2,004	758	—	—	—	—	—	—	—	—	—	—
Receivables, net of allowance:												
Taxes	200	4	—	—	—	—	—	—	—	—	—	—
Accounts	—	—	—	—	—	564	66	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—	—	—	—	—
Prepaid assets	—	—	—	—	—	—	—	—	—	—	3	—
Total assets	\$ 2,731	1,299	2,380	97	204	9,208	1,106	312	460	134	2,544	2,666
<b>LIABILITIES:</b>												
Accounts payable	\$ 563	19	—	—	—	568	—	—	—	—	273	136
Payroll payable	2	—	—	—	—	—	—	—	—	—	—	—
Retainage payable	—	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—	—	—	—	—
Due to others	—	—	—	—	—	—	—	—	—	—	—	—
Total liabilities	565	19	—	—	—	568	—	—	—	—	273	136
<b>DEFERRED INFLOWS OF RESOURCES:</b>												
Unavailable revenue – property taxes	165	3	—	—	—	—	—	—	—	—	—	—
Total deferred inflows of resources	165	3	—	—	—	—	—	—	—	—	—	—
<b>FUND BALANCES:</b>												
Nonspendable	—	—	—	—	—	—	—	—	—	—	3	—
Restricted	2,001	1,277	2,380	97	—	8,640	1,106	312	460	134	2,268	2,530
Committed	—	—	—	—	204	—	—	—	—	—	—	—
Total fund balances	2,001	1,277	2,380	97	204	8,640	1,106	312	460	134	2,271	2,530
Total liabilities, deferred inflows of resources and fund balances	\$ 2,731	1,299	2,380	97	204	9,208	1,106	312	460	134	2,544	2,666

Special Revenue Funds

Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement Services District	Recreation District	Jimmy Carter Boulevard TAD	Indian Trail TAD	Park Place TAD	Grant	Total	Debt Service	Total Other Governmental Funds
1,351	286	160	2,603	11,235	277	839	5,384	801	241	12	50	42,781	15,828	58,609
-	-	-	-	15,297	503	8,137	10,937	-	-	-	-	37,636	-	37,636
-	-	-	-	-	-	99	533	5	4	1	-	846	147	993
5	-	-	-	38	-	20	20	1	-	-	-	714	-	714
-	-	-	-	108	-	-	-	1	1	-	5,156	5,266	-	5,266
-	-	-	-	-	-	-	234	-	-	-	-	234	-	234
-	-	-	-	-	-	-	10	-	-	-	-	13	-	13
<u>1,356</u>	<u>286</u>	<u>160</u>	<u>2,603</u>	<u>26,678</u>	<u>780</u>	<u>9,095</u>	<u>17,118</u>	<u>808</u>	<u>246</u>	<u>13</u>	<u>5,206</u>	<u>87,490</u>	<u>15,975</u>	<u>103,465</u>
2	-	-	30	89	-	18	461	-	-	-	1,044	3,203	-	3,203
37	-	2	-	314	-	216	455	-	-	-	-	1,026	-	1,026
-	-	-	-	-	-	-	-	-	-	-	60	60	-	60
-	-	-	-	-	-	-	-	-	-	-	1,292	1,292	-	1,292
-	-	-	-	-	-	201	-	-	-	-	-	201	-	201
<u>39</u>	<u>-</u>	<u>2</u>	<u>30</u>	<u>403</u>	<u>-</u>	<u>435</u>	<u>916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,396</u>	<u>5,782</u>	<u>-</u>	<u>5,782</u>
-	-	-	-	-	-	65	386	6	5	1	-	631	108	739
-	-	-	-	-	-	65	386	6	5	1	-	631	108	739
-	-	-	-	-	-	-	244	-	-	-	-	247	-	247
1,317	286	158	2,573	26,275	780	8,595	15,572	802	241	12	2,810	80,626	15,867	96,493
-	-	-	-	-	-	-	-	-	-	-	-	204	-	204
<u>1,317</u>	<u>286</u>	<u>158</u>	<u>2,573</u>	<u>26,275</u>	<u>780</u>	<u>8,595</u>	<u>15,816</u>	<u>802</u>	<u>241</u>	<u>12</u>	<u>2,810</u>	<u>81,077</u>	<u>15,867</u>	<u>96,944</u>
<u>1,356</u>	<u>286</u>	<u>160</u>	<u>2,603</u>	<u>26,678</u>	<u>780</u>	<u>9,095</u>	<u>17,118</u>	<u>808</u>	<u>246</u>	<u>13</u>	<u>5,206</u>	<u>87,490</u>	<u>15,975</u>	<u>103,465</u>

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

Year Ended December 31, 2015

(in thousands of dollars)

	Street Lighting	Speed Hump	Authority Imaging	Juvenile Court Supervision	Tree Bank	Tourism	Stadium	Sheriff Special Justice	Sheriff Special Treasury	Sheriff Special State	Police Special Justice	Police Special State
<b>REVENUES:</b>												
Taxes	\$ -	-	-	-	-	9,180	947	-	-	-	-	-
Permits and licenses	-	-	-	-	22	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	662	-	-	-	-	-
Charges for services	6,470	116	646	53	-	-	749	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	54	121	7	316	249
Investment earnings	9	8	3	-	-	7	-	-	1	-	-	-
Miscellaneous	24	-	-	-	-	-	-	-	-	-	-	-
Total revenues	6,503	124	649	53	22	9,187	2,358	54	122	7	316	249
<b>EXPENDITURES:</b>												
Current operating:												
Public safety	-	-	-	-	-	-	-	-	-	-	464	478
Judiciary	-	-	900	56	-	-	-	3	83	12	-	-
Public works	7,029	112	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	2,773	-	-	-	-	-	-
Development authority	-	-	-	-	-	4,928	2,669	-	-	-	-	-
Grant programs	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	52	35
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	7,029	112	900	56	-	7,701	2,669	3	83	12	516	513
Revenues in excess of (less than) expenditures	(526)	12	(251)	(3)	22	1,486	(311)	51	39	(5)	(200)	(264)
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers in	-	-	-	-	-	-	400	-	-	-	-	-
Transfers out	-	-	-	-	-	(400)	-	-	-	-	(182)	(75)
Other financing sources (uses), net	-	-	-	-	-	(400)	400	-	-	-	(182)	(75)
Net change in fund balances	(526)	12	(251)	(3)	22	1,086	89	51	39	(5)	(382)	(339)
Fund balances – January 1	2,527	1,265	2,631	100	182	7,554	1,017	261	421	139	2,653	2,869
Fund balances – December 31	\$ 2,001	1,277	2,380	97	204	8,640	1,106	312	460	134	2,271	2,530

Special Revenue Funds

Crime Victims Assistance	DA Federal Asset Sharing	Corrections Inmate Welfare	Sheriff Inmate	E-911	Loganville EMS District	Development & Enforcement Services District	Recreation District	Jimmy Carter Boulevard TAD	Indian Trail TAD	Park Place TAD	Grant	Total	Debt Service	Total Other Governmental Funds
-	-	-	-	-	-	6,357	26,693	422	152	12	-	43,763	7,000	50,763
-	-	-	-	-	-	3,961	-	-	-	-	-	3,983	-	3,983
-	-	-	-	-	-	41	167	-	-	-	13,475	14,345	43	14,388
-	-	81	631	16,963	-	620	3,861	-	-	-	-	30,190	-	30,190
887	7	-	-	-	-	-	-	-	-	-	-	1,641	-	1,641
2	-	-	-	243	9	54	20	-	-	-	-	356	12	368
4	-	9	-	4	-	3	2,236	-	-	-	2,039	4,319	-	4,319
893	7	90	631	17,210	9	11,036	32,977	422	152	12	15,514	98,597	7,055	105,652
-	-	38	-	14,446	23	2,495	-	-	-	-	-	17,944	-	17,944
948	82	-	385	-	-	-	-	-	-	-	-	2,469	-	2,469
-	-	-	-	-	-	-	-	-	-	-	-	7,141	-	7,141
-	-	-	-	-	-	-	28,690	-	-	-	-	28,690	-	28,690
-	-	-	-	-	-	4,999	-	-	-	-	-	4,999	-	4,999
-	-	-	-	-	-	-	-	-	-	-	-	2,773	-	2,773
-	-	-	-	-	-	-	-	-	-	-	-	7,597	-	7,597
-	-	-	-	-	-	-	-	-	-	-	13,915	13,915	-	13,915
-	-	-	-	-	-	18	-	-	-	-	389	494	-	494
-	-	-	-	-	-	-	-	-	-	-	-	-	4,140	4,140
-	-	-	-	3,194	-	-	-	-	-	-	-	3,194	-	3,194
948	82	38	385	17,640	23	7,512	28,690	-	-	-	14,304	89,216	4,140	93,356
(55)	(75)	52	246	(430)	(14)	3,524	4,287	422	152	12	1,210	9,381	2,915	12,296
-	-	-	-	-	-	561	6	-	-	-	149	1,116	-	1,116
-	-	-	-	(98)	-	(3,560)	(4,376)	-	-	-	(1,382)	(10,073)	-	(10,073)
-	-	-	-	(98)	-	(2,999)	(4,370)	-	-	-	(1,233)	(8,957)	-	(8,957)
(55)	(75)	52	246	(528)	(14)	525	(83)	422	152	12	(23)	424	2,915	3,339
1,372	361	106	2,327	26,803	794	8,070	15,899	380	89	-	2,833	80,653	12,952	93,605
1,317	286	158	2,573	26,275	780	8,595	15,816	802	241	12	2,810	81,077	15,867	96,944

**DID YOU  
KNOW...**

**construction is underway**

for the new Lilburn City Hall and Lilburn branch  
of the Gwinnett County Public Library,

**funded by SPLOST?**



# Budgetary Compliance



## **Special Revenue Funds**

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

## **Capital Projects Funds**

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

## **Debt Service Fund**

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

## **Grant Fund**

Schedule of revenues and expenditures – budget and actual

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

Year Ended December 31, 2015

(in thousands of dollars)

	Street Lighting			Speed Hump			Authority Imaging		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
<b>REVENUES:</b>									
Taxes	\$ -	-	-	-	-	-	-	-	-
Permits and licenses	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	6,908	6,470	(438)	117	116	(1)	603	646	43
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment earnings	9	9	-	6	8	2	-	3	3
Miscellaneous	-	24	24	-	-	-	-	-	-
Total revenues	6,917	6,503	(414)	123	124	1	603	649	46
<b>EXPENDITURES:</b>									
Current operating:									
Public safety	-	-	-	-	-	-	-	-	-
Judiciary	-	-	-	-	-	-	960	900	60
Public works	7,812	7,029	783	114	112	2	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Development authority	-	-	-	-	-	-	-	-	-
Total expenditures	7,812	7,029	783	114	112	2	960	900	60
Revenues in excess of (less than) expenditures	(895)	(526)	369	9	12	3	(357)	(251)	106
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Other financing sources (uses), net	-	-	-	-	-	-	-	-	-
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(895)	(526)	369	9	12	3	(357)	(251)	106
Fund balance allocation	895	-	(895)	(9)	-	9	357	-	(357)
Fund balances – January 1	-	2,527	2,527	-	1,265	1,265	-	2,631	2,631
Fund balances – December 31	\$ -	2,001	2,001	-	1,277	1,277	-	2,380	2,380

## Budget and Actual (Budget Basis)

Juvenile Court Supervision			Tree Bank			Tourism			Stadium			Sheriff Special Justice		
Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
-	-	-	-	-	-	9,376	9,180	(196)	825	947	122	-	-	-
-	-	-	10	22	12	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	662	662	-	-	-	-
58	53	(5)	-	-	-	-	-	-	742	749	7	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	54	54	-
-	-	-	-	-	-	1	7	6	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	53	(5)	10	22	12	9,377	9,187	(190)	2,229	2,358	129	54	54	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	56	2	-	-	-	-	-	-	-	-	-	129	3	126
-	-	-	10	-	10	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,163	2,773	390	-	-	-	-	-	-
-	-	-	-	-	-	4,928	4,928	-	2,670	2,669	1	-	-	-
58	56	2	10	-	10	8,091	7,701	390	2,670	2,669	1	129	3	126
-	(3)	(3)	-	22	22	1,286	1,486	200	(441)	(311)	130	(75)	51	126
-	-	-	-	-	-	-	-	-	400	400	-	-	-	-
-	-	-	-	-	-	(400)	(400)	-	-	-	-	-	-	-
-	-	-	-	-	-	(400)	(400)	-	400	400	-	-	-	-
-	(3)	(3)	-	22	22	886	1,086	200	(41)	89	130	(75)	51	126
-	-	-	-	-	-	(886)	-	886	41	-	(41)	75	-	(75)
-	100	100	-	182	182	-	7,554	7,554	-	1,017	1,017	-	261	261
-	97	97	-	204	204	-	8,640	8,640	-	1,106	1,106	-	312	312

continued...

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

Year Ended December 31, 2015

(in thousands of dollars)

	Sheriff Special Treasury			Sheriff Special State			Police Special Justice		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
<b>REVENUES:</b>									
Taxes	\$ -	-	-	-	-	-	-	-	-
Permits and licenses	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	122	121	(1)	7	7	-	316	316	-
Investment earnings	-	1	1	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	122	122	-	7	7	-	316	316	-
<b>EXPENDITURES:</b>									
Current operating:									
Public safety	-	-	-	-	-	-	820	516	304
Judiciary	272	83	189	82	12	70	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Development authority	-	-	-	-	-	-	-	-	-
Total expenditures	272	83	189	82	12	70	820	516	304
Revenues in excess of (less than) expenditures	(150)	39	189	(75)	(5)	70	(504)	(200)	304
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(214)	(182)	32
Other financing sources (uses), net	-	-	-	-	-	-	(214)	(182)	32
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(150)	39	189	(75)	(5)	70	(718)	(382)	336
Fund balance allocation	150	-	(150)	75	-	(75)	718	-	(718)
Fund balances – January 1	-	421	421	-	139	139	-	2,653	2,653
Fund balances – December 31	\$ -	460	460	-	134	134	-	2,271	2,271

## Budget and Actual (Budget Basis) – continued

Police Special State			Crime Victims Assistance			District Attorney Federal Asset Sharing			Corrections Inmate Welfare		
Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	72	81	9
250	249	(1)	944	887	(57)	7	7	–	–	–	–
–	–	–	–	2	2	–	–	–	–	–	–
–	–	–	–	4	4	–	–	–	8	9	1
250	249	(1)	944	893	(51)	7	7	–	80	90	10
774	513	261	–	–	–	–	–	–	75	38	37
–	–	–	1,152	948	204	222	82	140	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
774	513	261	1,152	948	204	222	82	140	75	38	37
(524)	(264)	260	(208)	(55)	153	(215)	(75)	140	5	52	47
–	–	–	–	–	–	–	–	–	–	–	–
(106)	(75)	31	–	–	–	–	–	–	–	–	–
(106)	(75)	31	–	–	–	–	–	–	–	–	–
(630)	(339)	291	(208)	(55)	153	(215)	(75)	140	5	52	47
630	–	(630)	208	–	(208)	215	–	(215)	(5)	–	5
–	2,869	2,869	–	1,372	1,372	–	361	361	–	106	106
–	2,530	2,530	–	1,317	1,317	–	286	286	–	158	158

continued...

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

Year Ended December 31, 2015

(in thousands of dollars)

	Sheriff Inmate			E-911			Loganville EMS District		
	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance- positive (negative)
<b>REVENUES:</b>									
Taxes	\$ -	-	-	-	-	-	-	-	-
Permits and licenses	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	557	631	74	15,132	16,963	1,831	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	135	175	40	4	5	1
Miscellaneous	-	-	-	-	4	4	-	-	-
Total revenues	557	631	74	15,267	17,142	1,875	4	5	1
<b>EXPENDITURES:</b>									
Current operating:									
Public safety	-	-	-	19,339	17,640	1,699	26	23	3
Judiciary	558	385	173	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Development authority	-	-	-	-	-	-	-	-	-
Total expenditures	558	385	173	19,339	17,640	1,699	26	23	3
Revenues in excess of (less than) expenditures	(1)	246	247	(4,072)	(498)	3,574	(22)	(18)	4
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(204)	(98)	106	-	-	-
Other financing sources (uses), net	-	-	-	(204)	(98)	106	-	-	-
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(1)	246	247	(4,276)	(596)	3,680	(22)	(18)	4
Fund balance allocation	1	-	(1)	4,276	-	(4,276)	22	-	(22)
Fund balances – January 1	-	2,327	2,327	-	26,883	26,883	-	798	798
Fund balances – December 31	\$ -	2,573	2,573	-	26,287	26,287	-	780	780

## Budget and Actual (Budget Basis) – continued

Development & Enforcement Services District			Recreation District			Jimmy Carter Boulevard TAD			Indian Trail TAD			Park Place TAD		
Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)	Budget	Actual (non-GAAP Budget Basis)	Variance-positive (negative)
6,269	6,357	88	25,781	26,693	912	436	422	(14)	148	152	4	12	12	–
3,032	3,961	929	–	–	–	–	–	–	–	–	–	–	–	–
25	41	16	106	167	61	–	–	–	–	–	–	–	–	–
411	620	209	4,015	3,861	(154)	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
21	59	38	52	76	24	–	–	–	–	–	–	–	–	–
–	3	3	2,074	2,236	162	–	–	–	–	–	–	–	–	–
9,758	11,041	1,283	32,028	33,033	1,005	436	422	(14)	148	152	4	12	12	–
8,492	7,512	980	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	30,334	28,690	1,644	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8,492	7,512	980	30,334	28,690	1,644	–	–	–	–	–	–	–	–	–
1,266	3,529	2,263	1,694	4,343	2,649	436	422	(14)	148	152	4	12	12	–
697	561	(136)	–	6	6	–	–	–	–	–	–	–	–	–
(3,560)	(3,560)	–	(4,376)	(4,376)	–	–	–	–	–	–	–	–	–	–
(2,863)	(2,999)	(136)	(4,376)	(4,370)	6	–	–	–	–	–	–	–	–	–
(1,597)	530	2,127	(2,682)	(27)	2,655	436	422	(14)	148	152	4	12	12	–
1,597	–	(1,597)	2,682	–	(2,682)	(436)	–	436	(148)	–	148	(12)	–	12
–	8,068	8,068	–	15,896	15,896	–	380	380	–	89	89	–	–	–
–	8,598	8,598	–	15,869	15,869	–	802	802	–	241	241	–	12	12

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

Year Ended December 31, 2015

(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	\$ -	-	-	-	-	-
Intergovernmental	44	44	-	10,996	10,995	(1)
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	469	19	(450)	2,274	2,274	-
Miscellaneous	64	62	(2)	4	4	-
Total revenues	577	125	(452)	13,274	13,273	(1)
<b>EXPENDITURES:</b>						
Capital outlay	7,806	7,750	56	80,269	80,268	1
Intergovernmental	-	-	-	-	-	-
Total expenditures	7,806	7,750	56	80,269	80,268	1
Revenues in excess of (less than) expenditures	(7,229)	(7,625)	(396)	(66,995)	(66,995)	-
<b>OTHER FINANCING SOURCES:</b>						
Transfers in	1	1	-	50	50	-
Other financing sources, net	1	1	-	50	50	-
Revenues and other financing sources in excess of (less than) expenditures and other financing uses	(7,228)	(7,624)	(396)	(66,945)	(66,945)	-
Fund balance allocation	7,228	-	(7,228)	66,945	-	(66,945)
Fund balances – January 1	-	12,893	12,893	-	304,562	304,562
Fund balances – December 31	\$ -	5,269	5,269	-	237,617	237,617

## Budget and Actual (Budget Basis)

2014 Sales Tax			Other Capital Projects		
Budget	Actual	Variance-positive (negative)	Budget	Actual	Variance-positive (negative)
146,564	146,564	-	-	-	-
5,790	5,790	-	189	189	-
-	-	-	44	44	-
681	681	-	949	949	-
-	-	-	2,065	2,065	-
153,035	153,035	-	3,247	3,247	-
47,009	47,009	-	33,747	33,747	-
30,925	30,925	-	-	-	-
77,934	77,934	-	33,747	33,747	-
75,101	75,101	-	(30,500)	(30,500)	-
-	-	-	93,485	93,485	-
-	-	-	93,485	93,485	-
75,101	75,101	-	62,985	62,985	-
(75,101)	-	75,101	(62,985)	-	62,985
-	86,157	86,157	-	139,187	139,187
-	161,258	161,258	-	202,172	202,172

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

Year Ended December 31, 2015

(in thousands of dollars)

	Debt Service Fund		
	Budget	Actual	Variance-positive (negative)
<b>REVENUES:</b>			
Taxes	\$ 6,760	7,000	240
Intergovernmental	26	43	17
Investment earnings	–	12	12
Total revenues	6,786	7,055	269
<b>EXPENDITURES:</b>			
Debt service	4,142	4,140	2
Total expenditures	4,142	4,140	2
Revenues in excess of expenditures	2,644	2,915	271
Fund balance allocation	(2,644)	–	2,644
Fund balances – January 1	–	12,952	12,952
Fund balances – December 31	\$ –	15,867	15,867

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

Year Ended December 31, 2015

(in thousands of dollars)

	Grant Fund		
	Budget	Actual (non-GAAP budget basis)	Variance-positive (negative)
<b>REVENUES:</b>			
Intergovernmental revenues	\$ 30,497	19,906	(10,591)
Local revenues	323	2,873	2,550
Total revenues	30,820	22,779	(8,041)
<b>EXPENDITURES:</b>			
Program expenditures	30,820	22,875	7,945
Revenues in excess of (less than) expenditures	\$ —	(95)	(95)

# ENTERPRISE FUNDS



## Other Enterprise Funds



### **Airport Fund**

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

### **Solid Waste Fund**

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

### **Transit Fund**

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

## Other Enterprise Funds Combining Statement of Net Position

December 31, 2015

(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 2,532	33,187	5,515	41,234
Investments	–	5,626	3,790	9,416
Accounts receivable, net of allowance:	241	927	182	1,350
Due from other governments	–	–	1,056	1,056
Total current assets	<u>2,773</u>	<u>39,740</u>	<u>10,543</u>	<u>53,056</u>
Noncurrent assets:				
Investments	–	19,468	1,446	20,914
Land and construction in progress	11,526	1,317	1,535	14,378
Other capital assets, net of depreciation	8,263	3,194	11,955	23,412
Total noncurrent assets	<u>19,789</u>	<u>23,979</u>	<u>14,936</u>	<u>58,704</u>
Total assets	<u>22,562</u>	<u>63,719</u>	<u>25,479</u>	<u>111,760</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pension experience differences	6	6	5	17
Pension assumption changes	44	44	36	124
Pension investment differences	36	36	30	102
Total deferred outflows of resources	<u>86</u>	<u>86</u>	<u>71</u>	<u>243</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable	9	3,334	2,407	5,750
Payroll payable	11	18	10	39
Accumulated leave benefits – current	14	10	5	29
Due to others	2	–	9	11
Unearned revenue	–	41,961	–	41,961
Total current liabilities	<u>36</u>	<u>45,323</u>	<u>2,431</u>	<u>47,790</u>
Noncurrent liabilities:				
Accumulated leave benefits – noncurrent	14	9	5	28
Net pension liability	183	183	152	518
Total noncurrent liabilities	<u>197</u>	<u>192</u>	<u>157</u>	<u>546</u>
Total liabilities	<u>233</u>	<u>45,515</u>	<u>2,588</u>	<u>48,336</u>
<b>NET POSITION:</b>				
Net investment in capital assets	19,789	4,511	13,490	37,790
Unrestricted	2,626	13,779	9,472	25,877
Total net position	<u>\$ 22,415</u>	<u>18,290</u>	<u>22,962</u>	<u>63,667</u>

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

Year Ended December 31, 2015

(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
<b>OPERATING REVENUES:</b>				
Operating lease and rental income from individual hanger	\$ 1,022	–	–	1,022
User fees and charges	–	42,677	3,782	46,459
Miscellaneous	12	–	622	634
Total operating revenues	<u>1,034</u>	<u>42,677</u>	<u>4,404</u>	<u>48,115</u>
<b>OPERATING EXPENSES:</b>				
Depreciation	459	284	2,330	3,073
Transit operations	–	–	15,197	15,197
General and administrative	979	40,284	–	41,263
Total operating expenses	<u>1,438</u>	<u>40,568</u>	<u>17,527</u>	<u>59,533</u>
Operating income (loss)	<u>(404)</u>	<u>2,109</u>	<u>(13,123)</u>	<u>(11,418)</u>
<b>NON-OPERATING REVENUES:</b>				
Intergovernmental	–	–	6,432	6,432
Investment earnings	–	338	40	378
Gain (loss) on disposal of capital assets	3	–	(245)	(242)
Total non-operating revenues	<u>3</u>	<u>338</u>	<u>6,227</u>	<u>6,568</u>
Income (loss) before transfers and contributions	<u>(401)</u>	<u>2,447</u>	<u>(6,896)</u>	<u>(4,850)</u>
Capital contributions	130	–	–	130
Transfers in	–	–	9,515	9,515
Transfers out	<u>(49)</u>	<u>–</u>	<u>–</u>	<u>(49)</u>
Change in net position	<u>(320)</u>	<u>2,447</u>	<u>2,619</u>	<u>4,746</u>
Net position – January 1, as restated	<u>22,735</u>	<u>15,843</u>	<u>20,343</u>	<u>58,921</u>
Net position – December 31	<u>\$ 22,415</u>	<u>18,290</u>	<u>22,962</u>	<u>63,667</u>

## Other Enterprise Funds Combining Statement of Cash Flows

Year Ended December 31, 2015

(in thousands of dollars)

	Airport	Solid Waste	Transit	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 888	43,211	5,093	49,192
Cash payments to suppliers for goods and services	(646)	(39,586)	(14,852)	(55,084)
Cash payments to employees for services	(315)	(585)	(214)	(1,114)
Net cash flows provided/(required) by operating activities	<u>(73)</u>	<u>3,040</u>	<u>(9,973)</u>	<u>(7,006)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating grants	–	–	5,508	5,508
Transfers from other funds	–	–	9,515	9,515
Net cash provided by noncapital activities	<u>–</u>	<u>–</u>	<u>15,023</u>	<u>15,023</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital grants	130	–	–	130
Acquisition and construction of capital assets	(67)	–	(35)	(102)
Proceeds from the sale of capital assets	3	–	–	3
Net cash provided/(required) by capital and related financing activities	<u>66</u>	<u>–</u>	<u>(35)</u>	<u>31</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from the sale of investments	–	21,880	502	22,382
Purchase of investments	–	(21,548)	(3,703)	(25,251)
Investment earnings	–	310	5	315
Net cash provided/(required) by investing activities	<u>–</u>	<u>642</u>	<u>(3,196)</u>	<u>(2,554)</u>
Net increase (decrease) in cash and cash equivalents	(7)	3,682	1,819	5,494
Cash and cash equivalents at beginning of year	2,539	29,505	3,696	35,740
Cash and cash equivalents at end of year	<u>\$ 2,532</u>	<u>33,187</u>	<u>5,515</u>	<u>41,234</u>
<b>Reconciliation of operating income (loss) to net cash provided/(required) by operating activities:</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (404)	2,109	(13,123)	(11,418)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:				
Depreciation	459	284	2,330	3,073
<b>CHANGE IN ASSETS AND LIABILITIES:</b>				
Changes in net pension liability and related deferred inflows of resources	32	31	26	89
(Increase) decrease in receivables	(146)	19	689	562
Increase (decrease) in payables	(15)	80	107	172
Increase in unearned revenue	–	515	–	515
Increase (decrease) in other liabilities	1	2	(2)	1
Net cash provided/(required) by operating activities	<u>\$ (73)</u>	<u>3,040</u>	<u>(9,973)</u>	<u>(7,006)</u>

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# 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, 2015

(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	\$ 15,320	7,907	2,868	1,580	2,723	30,398
Investments	5,059	8,683	–	1,516	1,525	16,783
Accounts receivable, net of allowance	67	318	498	–	20	903
Inventories	–	–	333	–	–	333
Prepaid items	80	–	13	–	2,146	2,239
Total current assets	20,526	16,908	3,712	3,096	6,414	50,656
Noncurrent assets:						
Investments	14,961	10,294	–	–	1,215	26,470
Construction in progress	–	–	–	–	188	188
Other capital assets, net of depreciation	–	–	79	–	382	461
Total noncurrent assets	14,961	10,294	79	–	1,785	27,119
Total assets	35,487	27,202	3,791	3,096	8,199	77,775
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Pension experience differences	11	3	71	–	676	761
Pension assumption changes	73	22	480	–	4,581	5,156
Pension investment differences	60	18	397	–	3,785	4,260
Total deferred outflows of resources	144	43	948	–	9,042	10,177
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	1,643	126	1,105	5	1,018	3,897
Payroll payable	32	10	93	–	1,111	1,246
Accumulated leave benefits – current	17	22	125	–	1,285	1,449
Estimated claims payable – current	1,920	1,888	–	156	–	3,964
Unearned revenue	16	–	–	–	–	16
Total current liabilities	3,628	2,046	1,323	161	3,414	10,572
Accumulated leave benefits – noncurrent	11	26	71	–	931	1,039
Estimated claims payable – noncurrent	–	4,366	–	207	–	4,573
Net pension liability – noncurrent	304	91	2,009	–	19,173	21,577
Total liabilities	3,943	6,529	3,403	368	23,518	37,761
<b>NET POSITION:</b>						
Net investment in capital assets	–	–	79	–	570	649
Unrestricted	31,688	20,716	1,257	2,728	(6,847)	49,542
Total net position	\$ 31,688	20,716	1,336	2,728	(6,277)	50,191

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

Year Ended December 31, 2015

(in thousands of dollars)

	Group Self- Insurance	Risk Management	Fleet Management	Auto Liability	Administrative Support	Total
<b>OPERATING REVENUES:</b>						
Charges to other funds	\$ 39,576	4,704	5,206	1,000	32,236	82,722
Employee contributions	4,462	–	–	–	–	4,462
Miscellaneous	547	11	263	31	1,507	2,359
Total operating revenues	<u>44,585</u>	<u>4,715</u>	<u>5,469</u>	<u>1,031</u>	<u>33,743</u>	<u>89,543</u>
<b>OPERATING EXPENSES:</b>						
Vehicle maintenance and repair	–	–	3,770	–	–	3,770
Benefit claims	16,811	3,101	–	386	–	20,298
Insurance premiums	24,222	2,831	–	–	–	27,053
Depreciation and amortization	–	–	4	–	123	127
General and administrative	6,409	1,371	1,436	7	48,647	57,870
Total operating expenses	<u>47,442</u>	<u>7,303</u>	<u>5,210</u>	<u>393</u>	<u>48,770</u>	<u>109,118</u>
Operating income (loss)	<u>(2,857)</u>	<u>(2,588)</u>	<u>259</u>	<u>638</u>	<u>(15,027)</u>	<u>(19,575)</u>
<b>NON-OPERATING REVENUES:</b>						
Investment earnings	277	211	–	16	92	596
Loss on disposal of capital asset	–	–	–	–	(2)	(2)
Total non-operating revenues	<u>277</u>	<u>211</u>	<u>–</u>	<u>16</u>	<u>90</u>	<u>594</u>
Income (loss) before transfers	<u>(2,580)</u>	<u>(2,377)</u>	<u>259</u>	<u>654</u>	<u>(14,937)</u>	<u>(18,981)</u>
Transfers in	–	141	13	–	–	154
Transfers out	<u>(666)</u>	<u>–</u>	<u>(471)</u>	<u>–</u>	<u>(9)</u>	<u>(1,146)</u>
Change in net position	<u>(3,246)</u>	<u>(2,236)</u>	<u>(199)</u>	<u>654</u>	<u>(14,946)</u>	<u>(19,973)</u>
Net position – January 1, as restated	<u>34,934</u>	<u>22,952</u>	<u>1,535</u>	<u>2,074</u>	<u>8,669</u>	<u>70,164</u>
Net position – December 31	<u>\$ 31,688</u>	<u>20,716</u>	<u>1,336</u>	<u>2,728</u>	<u>(6,277)</u>	<u>50,191</u>

## Internal Service Funds Combining Statement of Cash Flows

Year Ended  
December 31, 2015  
(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	\$ 44,594	4,722	5,884	1,036	33,781	90,017
Cash payments to suppliers for goods and services	(5,336)	(601)	(1,531)	(17)	(15,297)	(22,782)
Cash payments to employees for services	(303)	(357)	(2,580)	–	(29,539)	(32,779)
Claims and premiums paid	(39,916)	(6,380)	–	(381)	–	(46,677)
Net cash flows provided/(required) by operating activities	(961)	(2,616)	1,773	638	(11,055)	(12,221)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers from other funds	–	141	13	–	–	154
Transfers (to) other funds	(666)	–	(471)	–	(9)	(1,146)
Net cash provided/(required) by noncapital activities	(666)	141	(458)	–	(9)	(992)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from sale of assets	–	–	–	–	18	18
Acquisition and construction of capital assets	–	–	(62)	–	(165)	(227)
Net cash (required) by capital and related financing activities	–	–	(62)	–	(147)	(209)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Proceeds from the sale of investments	18,000	26,451	–	850	21,031	66,332
Purchase of investments	(18,000)	(23,210)	–	(500)	(17,348)	(59,058)
Investment earnings	237	223	–	2	62	524
Net cash provided by investing activities	237	3,464	–	352	3,745	7,798
Net increase/(decrease) in cash and cash equivalents	(1,390)	989	1,253	990	(7,466)	(5,624)
Cash and cash equivalents at beginning of year	16,710	6,918	1,615	590	10,189	36,022
Cash and cash equivalents at end of year	\$ 15,320	7,907	2,868	1,580	2,723	30,398
<b>Reconciliation of operating income (loss) to net cash provided/required by operating activities:</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ (2,857)	(2,588)	259	638	(15,027)	(19,575)
Adjustments to reconcile operating income (loss) to net cash provided/(required) by operating activities:						
Depreciation	–	–	4	–	123	127
<b>CHANGE IN ASSETS AND LIABILITIES:</b>						
Changes in net pension liability and related deferred inflows of resources	50	15	330	–	3,162	3,557
Decrease in receivables	3	7	416	5	38	469
Decrease in inventories	–	–	127	–	–	127
(Increase) decrease in prepaids	(38)	419	(13)	–	978	1,346
Increase (decrease) in payables	734	(23)	615	(10)	(732)	584
Increase (decrease) in other liabilities	1,147	(446)	35	5	403	1,144
Net cash provided/(required) by operating activities	\$ (961)	(2,616)	1,773	638	(11,055)	(12,221)

**DID YOU  
KNOW...**

the **Health and  
Human Services Division**  
served more than **451,307** seniors,  
individuals, and families in **2015?**



# FIDUCIARY FUNDS



## Fiduciary Funds



### Trust Funds

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

### Agency Funds

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



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

December 31, 2015

(in thousands of dollars)

	Defined Benefit	OPEB	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 24,216	2,790	27,006
Investments, at fair value:			
U.S. treasury bonds	54,451	7,086	61,537
Asset-backed securities	19,784	2,575	22,359
U.S. governmental agencies	50,138	6,525	56,663
Commercial mortgage-backed securities	10,490	1,365	11,855
Futures contracts	56	7	63
Corporate bonds	66,951	8,713	75,664
Collateralized mortgage obligations	3,911	509	4,420
Corporate equities	475,697	61,908	537,605
Non-U.S. government bonds	25,091	3,266	28,357
International equities	122,671	15,965	138,636
Preferred stock	904	118	1,022
Global fixed income	40,548	5,277	45,825
Taxable municipal bonds	133	17	150
Total investments	870,825	113,331	984,156
Securities lending collateral investment pool	67,824	8,827	76,651
Contributions receivable from employer	–	24	24
Prepaid benefit payments	5,252	–	5,252
Total assets	968,117	124,972	1,093,089
<b>LIABILITIES:</b>			
Accounts payable	777	1,860	2,637
Liability for securities lending agreement	67,824	8,827	76,651
Total liabilities	68,601	10,687	79,288
Net position – restricted for pension and other employee benefits	\$ 899,516	114,285	1,013,801

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

Year Ended December 31, 2015

(in thousands of dollars)

	Defined Benefit	OPEB	Total
<b>ADDITIONS:</b>			
Contributions:			
Employer	\$ 33,636	11,587	45,223
Employee	6,852	4,683	11,535
Total contributions	40,488	16,270	56,758
Investment income:			
Net decrease in the fair value of investments	(18,809)	(2,442)	(21,251)
Securities lending income	303	39	342
Interest and dividends	20,533	2,660	23,193
Total investment income	2,027	257	2,284
Investment expense	(4,198)	(543)	(4,741)
Securities lending expense	(11)	(1)	(12)
Net investment loss	(2,182)	(287)	(2,469)
Total additions	38,306	15,983	54,289
<b>DEDUCTIONS:</b>			
Benefits paid	59,323	8,774	68,097
Insurance premiums	–	6,648	6,648
Administrative expenses	638	498	1,136
Total deductions	59,961	15,920	75,881
Net increase (decrease) in fiduciary net position	(21,655)	63	(21,592)
Net position – restricted for pension and other employee benefits			
Beginning of year	921,171	114,222	1,035,393
End of year	\$ 899,516	114,285	1,013,801

## Agency Funds Combining Statement of Fiduciary Assets and Liabilities

December 31, 2015  
*(in thousands of dollars)*

	Tax Commissioner	Clerk of Courts	Recorder's Court	Sheriff	Probate Court	Juvenile Court	Corrections	Total
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 16,552	12,253	1,070	722	337	4	18	30,956
Taxes receivable	15,783	-	-	-	-	-	-	15,783
Total assets	\$ <u>32,335</u>	<u>12,253</u>	<u>1,070</u>	<u>722</u>	<u>337</u>	<u>4</u>	<u>18</u>	<u>46,739</u>
<b>LIABILITIES:</b>								
Due to others	\$ <u>32,335</u>	<u>12,253</u>	<u>1,070</u>	<u>722</u>	<u>337</u>	<u>4</u>	<u>18</u>	<u>46,739</u>
Total liabilities	\$ <u>32,335</u>	<u>12,253</u>	<u>1,070</u>	<u>722</u>	<u>337</u>	<u>4</u>	<u>18</u>	<u>46,739</u>

# Agency Funds Combining Statement of Changes in Fiduciary Assets and Liabilities

Year Ended December 31, 2015  
(in thousands of dollars)

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<b>TAX COMMISSIONER:</b>				
Cash and cash equivalents	\$ 16,297	721,260	721,005	16,552
Taxes receivable	19,032	801,684	804,933	15,783
Total	<u>\$ 35,329</u>	<u>1,522,944</u>	<u>1,525,938</u>	<u>32,335</u>
Due to others	<u>\$ 35,329</u>	<u>1,522,944</u>	<u>1,525,938</u>	<u>32,335</u>
<b>CLERK OF COURTS:</b>				
Cash and cash equivalents	\$ 16,497	54,119	58,363	12,253
Due to others	<u>\$ 16,497</u>	<u>54,119</u>	<u>58,363</u>	<u>12,253</u>
<b>RECORDER'S COURT:</b>				
Cash and cash equivalents	\$ 1,074	4,297	4,301	1,070
Due to others	<u>\$ 1,074</u>	<u>4,297</u>	<u>4,301</u>	<u>1,070</u>
<b>SHERIFF:</b>				
Cash and cash equivalents	\$ 1,191	11,937	12,406	722
Due to others	<u>\$ 1,191</u>	<u>11,937</u>	<u>12,406</u>	<u>722</u>
<b>PROBATE COURT:</b>				
Cash and cash equivalents	\$ 279	650	592	337
Due to others	<u>\$ 279</u>	<u>650</u>	<u>592</u>	<u>337</u>
<b>JUVENILE COURT:</b>				
Cash and cash equivalents	\$ 2	57	55	4
Due to others	<u>\$ 2</u>	<u>57</u>	<u>55</u>	<u>4</u>
<b>CORRECTIONS:</b>				
Cash and cash equivalents	\$ 18	268	268	18
Due to others	<u>\$ 18</u>	<u>268</u>	<u>268</u>	<u>18</u>
<b>TOTAL:</b>				
Cash and cash equivalents	\$ 35,358	792,588	796,990	30,956
Taxes receivable	19,032	801,684	804,933	15,783
Total	<u>\$ 54,390</u>	<u>1,594,272</u>	<u>1,601,923</u>	<u>46,739</u>
Due to others	<u>\$ 54,390</u>	<u>1,594,272</u>	<u>1,601,923</u>	<u>46,739</u>

# STATISTICAL SECTION





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

## Index

### Financial Trends

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

### Revenue Capacity

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

### Debt Capacity

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

### Demographic and Economic Information

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

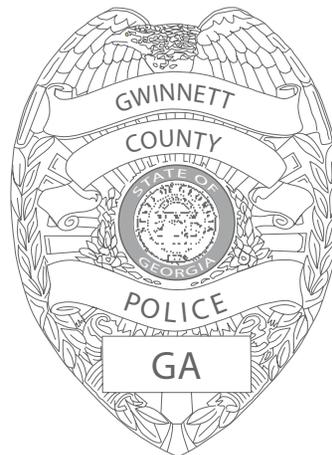
### Operating Information

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

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

# DID YOU KNOW...

the **Gwinnett County Police – West Precinct  
Community Response Team** won  
the **Unit of the Year Award**  
from the Gwinnett Chamber of Commerce in 2015?



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

	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 1,580,183	1,822,598	1,989,757	2,141,050	2,220,825	2,277,439	2,320,301	2,348,661	2,353,452	2,405,163
Restricted	666,243	357,674	306,184	272,928	283,828	365,299	398,100	526,551	617,049	629,259
Unrestricted	238,235	470,710	451,245	489,312	522,661	491,493	510,907	478,218	536,684	294,332
Total governmental activities net position	2,484,661	2,650,982	2,747,186	2,903,290	3,027,314	3,134,231	3,229,308	3,353,430	3,507,185	3,328,754
Business-type activities										
Net investment in capital assets	2,257,189	2,517,483	2,574,614	2,594,387	2,591,610	2,592,634	2,614,293	2,664,664	2,718,527	2,790,538
Restricted	25,083	25,199	27,388	33,268	37,072	38,926	25,392	24,375	25,201	27,043
Unrestricted	202,403	60,611	57,866	80,364	137,219	190,964	235,397	221,920	261,024	309,121
Total business-type activities net position	2,484,675	2,603,293	2,659,868	2,708,019	2,765,901	2,822,524	2,875,082	2,910,959	3,004,752	3,126,702
Primary government										
Net investment in capital assets	3,837,372	4,340,081	4,564,371	4,735,437	4,812,435	4,870,073	4,934,594	5,013,325	5,071,979	5,195,701
Restricted	691,326	382,873	333,572	306,196	320,900	404,225	423,492	550,926	642,250	656,302
Unrestricted	440,638	531,321	509,111	569,676	659,880	682,457	746,304	700,138	797,708	603,453
Total primary government net position	\$ 4,969,336	5,254,275	5,407,054	5,611,309	5,793,215	5,956,755	6,104,390	6,264,389	6,511,937	6,455,456

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 72,728	74,921	77,529	77,808	96,653	97,991	57,690	47,960	39,653	42,338
Public safety	154,775	173,779	184,060	188,851	188,823	193,625	216,808	199,549	212,405	250,029
Judiciary	105,891	113,633	122,028	123,555	113,089	114,896	129,590	124,612	137,599	151,945
Public works	106,270	82,898	73,339	65,488	55,506	60,013	79,129	77,837	96,491	95,907
Health and welfare	7,408	12,640	12,861	12,336	11,528	11,762	7,081	7,634	8,649	9,228
Culture and recreation	54,967	57,032	68,260	67,369	69,493	69,252	67,090	68,905	63,578	77,237
Housing and development	15,004	18,247	20,596	20,971	25,374	18,098	18,908	18,851	22,071	21,601
Tourism	2,208	2,214	2,038	1,633	1,760	2,044	2,069	2,358	2,534	2,773
Development authority	2,251	2,580	2,843	4,853	6,675	4,367	4,947	4,881	4,773	4,622
Interest on long-term debt	2,128	4,263	5,983	1,111	2,661	2,659	1,921	442	285	277
Total governmental activities	523,630	542,207	569,537	563,975	571,562	574,707	585,233	553,029	588,038	655,957
Business-type activities:										
Water and sewer	172,985	197,612	201,974	200,687	209,840	213,048	236,249	261,693	229,176	239,093
Airport	1,940	2,103	1,912	2,000	1,811	2,359	1,150	2,106	1,382	1,482
Solid waste	425	489	2,573	1,427	20,910	40,438	39,210	41,847	40,051	40,617
Stormwater	24,728	25,455	29,466	28,268	28,032	31,804	27,126	30,375	38,324	28,861
Transit	12,375	14,184	15,749	15,606	15,533	18,235	18,486	17,912	17,591	17,818
Total business-type activities	212,453	239,843	251,674	247,988	276,126	305,884	322,221	353,933	326,524	327,871
Total primary government expenses	\$ 736,083	782,050	821,211	811,963	847,688	880,591	907,454	906,962	914,562	983,828
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 30,991	22,340	14,578	23,795	18,301	25,682	8,751	8,778	9,747	10,002
Public safety	21,158	22,940	35,699	29,147	23,093	25,586	32,902	31,987	33,909	37,508
Judiciary	24,744	27,145	29,111	28,541	31,174	30,193	32,087	31,770	30,489	28,933
Public works	5,974	6,084	5,992	6,196	6,256	6,279	6,387	6,914	6,882	6,601
Health and welfare	–	–	–	1	137	110	23	9	406	3
Culture and recreation	2,895	3,368	3,918	4,505	4,499	4,480	4,547	4,419	4,752	4,893
Housing and development	8,866	6,145	3,922	2,441	8,818	7,928	8,457	8,359	8,682	9,646
Operating grants and contributions	17,039	15,866	12,068	30,052	33,739	18,005	16,074	18,050	16,645	8,408
Capital grants and contributions	17,726	24,611	15,054	13,407	11,182	20,193	32,853	13,716	38,529	30,319
Total governmental activities program revenues	129,393	128,499	120,342	138,085	137,199	138,456	142,081	124,002	150,041	136,313

continued...

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Water and sewer	185,505	202,960	189,959	208,805	240,966	260,226	271,289	277,234	299,007	305,974
Airport	628	858	850	832	827	866	903	859	941	1,034
Solid waste	–	–	1,340	1,113	20,740	41,131	41,929	42,570	42,061	42,677
Stormwater	8,694	16,045	25,095	30,326	29,973	30,494	30,863	30,887	31,182	31,226
Transit	3,505	3,035	4,337	4,319	4,274	5,011	4,845	4,719	4,212	4,404
Operating grants and contributions	2,506	4,212	5,270	4,896	5,740	6,605	5,946	6,504	6,391	6,432
Capital grants and contributions	124,225	113,894	68,179	33,811	18,616	17,571	14,209	22,389	29,948	44,405
Total business-type activities program revenues	325,063	341,004	295,030	284,102	321,136	361,904	369,984	385,162	413,742	436,152
Total primary government program revenues	\$ 454,456	469,503	415,372	422,187	458,335	500,360	512,065	509,164	563,783	572,465
Net (expense)/revenue										
Governmental activities	(394,237)	(413,708)	(449,195)	(425,890)	(434,363)	(436,251)	(443,152)	(429,027)	(437,997)	(519,644)
Business-type activities	112,610	101,161	43,356	36,114	45,010	56,020	47,763	31,229	87,218	108,281
Total primary government net expenses	\$ (281,627)	(312,547)	(405,839)	(389,776)	(389,353)	(380,231)	(395,389)	(397,798)	(350,779)	(411,363)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	304,215	328,612	325,417	403,235	363,744	336,256	324,081	345,499	377,192	382,407
Sales taxes	155,941	152,528	138,756	122,714	128,594	134,752	142,571	138,351	142,480	146,564
Other taxes	40,239	56,215	55,249	51,971	54,363	64,284	64,063	62,822	64,636	74,491
Investment income	41,055	42,626	24,418	6,571	6,485	1,998	1,246	216	3,414	3,130
Miscellaneous	6,077	5,386	7,516	4,361	10,093	11,588	10,260	10,536	9,192	10,154
Transfers	(15,175)	(5,338)	(5,957)	(6,858)	(4,892)	(5,161)	(3,992)	(4,275)	(5,162)	(25,161)
Total governmental activities	532,352	580,029	545,399	581,994	558,387	543,717	538,229	553,149	591,752	591,585
Business-type activities:										
Investment income	13,642	7,426	2,466	189	346	1,044	803	373	1,413	2,021
Miscellaneous	7,304	4,693	684	4,990	7,634	–	–	–	–	–
Extraordinary item	–	–	4,112	–	–	–	–	–	–	–
Transfers	15,175	5,338	5,957	6,858	4,892	5,161	3,992	4,275	5,162	25,161
Total business-type activities	36,121	17,457	13,219	12,037	12,872	6,205	4,795	4,648	6,575	27,182
Total primary government	\$ 568,473	597,486	558,618	594,031	571,259	549,922	543,024	557,797	598,327	618,767
Changes in net position										
Governmental activities	138,115	166,321	96,204	156,104	124,024	107,466	95,077	124,122	153,755	71,941
Business-type activities	148,731	118,618	56,575	48,151	57,882	62,225	52,558	35,877	93,793	135,463
Total primary government	\$ 286,846	284,939	152,779	204,255	181,906	169,691	147,635	159,999	247,548	207,404

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

	2006	2007	2008	2009	2010
General fund					
Reserved	\$ 3,915	3,848	4,614	3,451	5,695
Unreserved	144,441	148,220	109,382	114,719	142,258
Total general fund	148,356	152,068	113,996	118,170	147,953
All other governmental funds					
Reserved	15,971	21,376	9,487	11,311	5,086
Unreserved, reported in:					
Special revenue funds	67,022	63,300	54,272	56,338	67,502
Capital project funds	502,020	397,465	365,607	293,259	307,259
Debt service funds	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	594,563	498,535	459,076	385,995	414,047
<b>Total</b>	<b>\$ 742,919</b>	<b>650,603</b>	<b>573,072</b>	<b>504,165</b>	<b>562,000</b>
	2011*	2012	2013**	2014	2015
General fund					
Nonspendable	\$ 7,204	2,232	1,499	4,656	4,780
Assigned	–	42,636	743	–	16,630
Unassigned	164,650	129,503	133,687	138,877	123,809
Total general fund	171,854	174,371	135,929	143,533	145,219
All other governmental funds					
Nonspendable	217	298	268	1,114	943
Restricted	362,990	396,810	493,340	582,588	590,253
Committed	60	62	114	182	204
Assigned	75,493	78,719	87,515	138,978	202,026
Total all other governmental funds	438,760	475,889	581,237	722,862	793,426
<b>Total</b>	<b>\$ 610,614</b>	<b>650,260</b>	<b>717,166</b>	<b>866,395</b>	<b>938,645</b>

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

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	\$ 504,733	534,320	512,595	515,608	601,982	537,267	539,344	551,441	583,631	600,391
Permits and licenses	23,990	11,072	8,611	6,626	8,266	7,465	8,009	7,895	8,027	8,997
Intergovernmental	20,289	18,981	18,197	41,715	42,662	27,331	45,727	32,955	50,592	36,009
Charges for services	57,112	62,909	75,691	71,319	63,013	75,514	67,125	67,672	67,816	71,926
Fines and forfeitures	13,526	14,049	14,843	16,731	21,053	15,433	16,009	17,082	18,056	15,870
Investment income, earnings (losses)	38,354	40,214	22,401	6,216	6,072	4,936	3,348	(933)	7,603	5,512
Miscellaneous	7,022	7,759	9,764	7,190	12,007	12,450	10,189	10,536	9,204	10,181
Total revenues	<u>665,026</u>	<u>689,304</u>	<u>662,102</u>	<u>665,405</u>	<u>755,055</u>	<u>680,396</u>	<u>689,751</u>	<u>686,648</u>	<u>744,929</u>	<u>748,886</u>
<b>Expenditures:</b>										
General government	58,879	74,823	72,316	65,329	93,475	87,267	36,577	39,240	27,133	21,794
Public safety	145,864	160,829	171,716	179,492	176,088	175,397	196,917	187,750	189,916	196,573
Judiciary	105,055	110,023	117,798	121,894	120,098	116,534	129,630	127,275	131,424	133,332
Public works	21,988	22,866	22,958	21,489	19,360	20,007	21,256	20,926	20,763	20,148
Health and welfare	7,589	12,566	12,814	12,561	12,473	11,749	6,787	6,662	6,854	7,227
Culture and recreation	42,416	42,615	47,048	47,646	54,477	44,230	43,015	41,736	43,238	47,229
Housing and development	11,426	13,095	13,650	10,062	8,332	7,890	8,703	8,638	8,814	8,745
Miscellaneous	799	-	-	-	-	-	-	-	-	-
Tourism	2,208	2,214	2,038	1,633	1,760	2,044	2,069	2,358	2,534	2,773
Development authority	3,656	4,045	4,763	7,465	8,905	6,057	7,097	7,096	7,618	7,597
Grant programs	5,622	6,042	8,217	12,881	22,953	14,961	12,919	13,358	15,977	13,915
Capital outlay	282,219	311,565	283,161	223,577	138,448	130,741	141,153	112,100	103,276	169,637
Debt service:										
Principal	9,845	12,251	12,730	13,255	13,847	11,870	3,380	23,830	3,410	3,480
Interest	3,946	4,079	3,582	3,078	2,608	2,102	1,845	1,041	765	660
Issuance cost	-	-	-	-	-	-	253	-	-	-
Intergovernmental	-	-	-	19,816	19,313	22,041	35,895	24,569	31,310	34,188
Total expenditures	<u>701,512</u>	<u>777,013</u>	<u>772,791</u>	<u>740,178</u>	<u>692,137</u>	<u>652,890</u>	<u>647,496</u>	<u>616,579</u>	<u>593,032</u>	<u>667,298</u>
Excess (deficiency) of revenues over expenditures	<u>(36,486)</u>	<u>(87,709)</u>	<u>(110,689)</u>	<u>(74,773)</u>	<u>62,918</u>	<u>27,506</u>	<u>42,255</u>	<u>70,069</u>	<u>151,897</u>	<u>81,588</u>
<b>Other financing sources/(uses):</b>										
Transfer in	18,399	20,922	85,606	9,962	34,495	53,766	27,873	91,917	72,364	102,485
Transfer out	(33,662)	(25,529)	(89,333)	(12,813)	(39,578)	(32,658)	(30,781)	(95,080)	(75,032)	(111,823)
Proceeds from capital lease obligations	-	-	36,885	8,717	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	25,117	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(24,818)	-	-	-
Total other financing sources/(uses)	<u>(15,263)</u>	<u>(4,607)</u>	<u>33,158</u>	<u>5,866</u>	<u>(5,083)</u>	<u>21,108</u>	<u>(2,609)</u>	<u>(3,163)</u>	<u>(2,668)</u>	<u>(9,338)</u>
Net change in fund balances	<u>\$ (51,749)</u>	<u>(92,316)</u>	<u>(77,531)</u>	<u>(68,907)</u>	<u>57,835</u>	<u>48,614</u>	<u>39,646</u>	<u>66,906</u>	<u>149,229</u>	<u>72,250</u>
Debt service as a percentage of noncapital expenditures	3.3%	3.5%	3.4%	3.4%	3.0%	2.7%	1.1%	5.0%	0.9%	0.8%

## 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*					
2006	17,138,866,772	6,912,104,174	636,083,282	1,894,747,650	3,364,490,860	4,773,455,867	25,172,836,871	11.30	62,932,092,178	40%
2007	19,110,676,313	7,620,660,544	711,286,124	2,100,293,790	3,553,418,546	5,521,193,379	27,575,141,938	11.08	68,937,854,845	40%
2008	20,154,776,093	8,232,413,573	724,878,956	2,203,612,510	3,685,145,915	5,647,694,750	29,353,132,297	10.97	73,382,830,743	40%
2009	19,601,892,754	8,007,858,323	727,273,050	2,244,806,130	3,704,242,078	5,285,098,686	29,000,973,649	13.25	72,502,434,123	40%
2010	17,636,924,358	7,328,942,258	737,159,776	1,947,193,360	3,363,021,476	4,365,881,271	26,647,359,957	13.25	66,618,399,893	40%
2011	16,141,004,129	6,740,985,809	230,889,940	2,014,195,700	3,775,921,060	3,916,558,267	24,986,438,371	13.02	62,466,095,928	40%
2012	14,858,737,855	6,546,141,287	225,585,016	2,024,864,660	3,983,958,784	3,767,877,476	23,871,410,126	13.02	59,678,525,315	40%
2013	14,215,494,500	6,457,814,268	151,416,160	2,200,695,020	4,107,670,330	3,512,324,663	23,620,765,615	13.75	59,051,914,038	40%
2014	16,530,395,594	6,737,358,484	142,032,680	1,922,687,330	4,158,438,790	3,949,354,590	25,541,558,288	13.75	63,853,895,720	40%
2015	17,575,161,918	6,827,667,400	160,244,240	1,328,959,020	4,238,594,330	4,227,074,580	25,903,552,328	13.579	64,758,880,820	40%

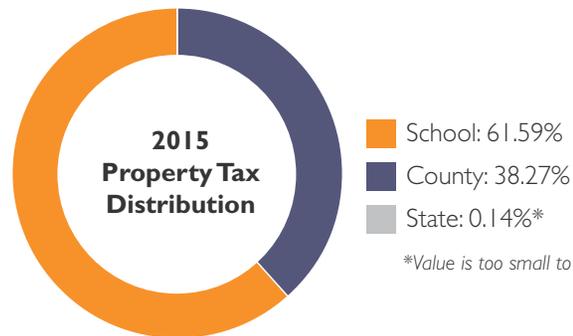
Source: General Fund information from Gwinnett County Budget Division and Gwinnett County Tax Commissioner

\* Includes mobile homes

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund	10.00	9.81	9.72	11.78	11.78	11.78	11.78	7.40	7.40	7.229
Fire and EMS District	–	–	–	–	–	–	–	3.20	3.20	3.20
Police Services District	–	–	–	–	–	–	–	1.60	1.60	1.60
Development and Enforcement District	–	–	–	–	–	–	–	0.36	0.36	0.36
Recreation District	0.82	0.80	0.79	1.00	1.00	1.00	1.00	0.95	0.95	0.95
G.O. Bond Fund	0.23	0.23	0.22	0.23	0.23	–	–	–	–	–
G.O. Bond Fund II	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
<b>Total County Tax</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>	<b>13.75</b>	<b>13.579</b>
School M & O	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.80	19.80
School Bonds	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	2.05	2.05
<b>Total School Tax</b>	<b>20.55</b>	<b>21.85</b>	<b>21.85</b>							
State Government	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05
<b>Total Property Tax</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>34.45</b>	<b>35.70</b>	<b>35.479</b>

Source: Budget Division – Tax Levy Resolution



\*Value is too small to appear on this chart

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

Taxpayer	2015			2006		
	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
Georgia Power	\$ 120,545,600	1	0.47%	\$ 92,950,890	4	0.49%
Publix	112,383,950	2	0.43%	107,715,300	2	0.38%
AT&T	109,884,450	3	0.42%	131,761,870	1	0.39%
Mall of Georgia LLC	101,410,780	4	0.39%	78,227,906	5	0.29%
Wal-Mart	96,391,590	5	0.37%	101,931,690	3	0.34%
Cisco, formerly Scientific Atlanta Inc.	73,808,570	6	0.28%	71,380,762	6	0.26%
Jackson EMC	69,722,840	7	0.27%	54,709,360	7	0.20%
Amerisourcebergen Drug Corp.	63,824,700	8	0.25%	–	–	–
Atlanta Gas Light	45,396,160	9	0.18%	–	–	–
McKesson Corp.	43,383,890	10	0.17%	–	–	–
Sugarloaf Mills LTD Partnership				49,600,000	8	0.18%
Gwinnett Prado				41,062,196	9	0.15%
Cingular Wireless				40,585,590	10	0.15%

Sources: 1) Tax Assessor's Office.

2) The final tax digest dated 02/12/2016, 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
2006	\$ 753,968,401	\$ 712,381,318	91.7%	\$ 41,445,750	\$ 753,827,068	100.0%
2007	826,649,613	781,880,719	93.7%	44,580,582	826,461,301	100.0%
2008	876,140,310	819,605,181	92.7%	56,306,014	875,911,195	100.0%
2009	952,036,460	829,546,868	92.7%	122,080,340	951,627,207	100.0%
2010	866,646,119	810,612,693	93.2%	55,418,421	866,031,114	99.9%
2011	795,912,133	755,883,258	95.1%	38,915,926	794,799,184	99.9%
2012	750,512,503	722,927,859	96.4%	26,276,805	749,204,663	99.8%
2013	761,927,136	741,172,382	97.7%	19,144,102	760,316,484	99.8%
2014	840,377,748	818,211,594	97.5%	19,255,959	837,467,553	99.7%
2015	867,371,326	850,819,073	98.1%	–	850,819,073	98.1%

\* 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>
2006	740,267	115,511	0.46%	156.04	8,990	63,595
2007	764,129	103,393	0.37%	135.31	6,945	62,130
2008	780,721	90,760	0.31%	116.25	4,775	97,095
2009	796,276	77,565	0.27%	97.41	2,465	103,200
2010	808,274	63,734	0.24%	78.85	–	96,420
2011	824,790	51,827	0.21%	62.84	–	94,730
2012 <sup>(5)</sup>	839,758	48,925	0.20%	58.26	–	92,580
2013	858,071	24,362	0.10%	28.39	–	90,365
2014	877,726	20,370	0.08%	23.21	–	87,520
2015	895,823	16,444	0.06%	18.36	–	84,545

Fiscal Year Ended Dec. 31,	Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>(4)</sup>	Per Capita
	Water & Sewer Bonds <sup>(2)</sup>	Notes Payable <sup>(2)</sup>	Lease Payable <sup>(2)</sup>			
2006	807,889	1,790	–	997,775	3.92%	1,347.86
2007	782,433	10,174	–	965,075	3.67%	1,262.97
2008	951,851	29,194	1,317	1,174,992	4.49%	1,505.01
2009	1,078,073	57,549	822	1,319,674	5.20%	1,657.31
2010	1,038,224	56,548	–	1,254,926	4.89%	1,552.60
2011	1,014,337	55,103	–	1,215,997	4.39%	1,474.31
2012 <sup>(5)</sup>	961,500	52,750	–	1,155,755	4.09%	1,376.30
2013	899,277	50,347	–	1,064,351	3.64%	1,240.40
2014	835,777	47,872	–	991,539	3.19%	1,129.67
2015	769,492	45,320	–	904,993	Not yet available	1,010.24

Sources:

- 1) U.S. Census Bureau midyear population estimates. Estimates for 2010-2015 reflect county population estimates released March 2016.
- 2) Debt information from CAFR Financial Statements and **Note 8** to the Financial Statements.
- 3) Total taxable assessed value used in this calculation obtained from the Gwinnett County Tax Commissioner.
- 4) Personal income data from the U.S. Bureau of Economic Analysis. Website visited March 31, 2016.
- 5) GASB 63 and 65 were implemented in 2012; therefore deferred losses on refundings are no longer included.

Note: Personal income data last updated November 19, 2015 – new estimate for 2014; revised estimates for 2006 – 2013.

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

	Fiscal Year Ended December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 2,517,284	\$ 2,757,514	\$ 2,935,313	\$ 2,900,097	\$ 2,664,736	\$ 2,498,644	\$ 2,387,141	\$ 2,362,077	\$ 2,554,156	\$ 2,590,355
Total net debt applicable to limit	84,902	73,692	62,272	50,893	29,485	24,102	17,493	12,197	6,193	–
Legal debt margin	2,432,382	2,683,822	2,873,041	2,849,204	2,635,251	2,474,542	2,369,648	2,349,880	2,547,963	2,590,355
Total net debt applicable to the limit as a percentage of debt limit	3.4%	2.7%	2.2%	1.8%	1.1%	1.0%	0.7%	0.5%	0.2%	0.0%

### Legal debt margin calculation for fiscal year 2015

Assessed value	\$ 25,903,552
Debt limit (10%) of assessed value	2,590,355
Debt applicable to limit:	
General obligation bonds	15,665
Less: amount set aside for repayment of general obligation debt	<u>15,665</u>
Total net debt applicable to limit	–
Legal debt margin	<u><u>\$ 2,590,355</u></u>

## 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		
2006	192,824	85,313	12,115	119,626	30,105	29,696	59,801	2.00	1.2
2007	206,450	94,813	6,158	117,795	30,845	29,925	60,770	1.94	1.2
2008	194,286	98,263	2,054	98,077	30,935	31,283	62,218	1.58	1.2
2009	213,484	97,020	127	116,591	28,970	36,829	65,799	1.77	1.2
2010	253,931	103,460	402	150,873	39,315	44,212	83,527	1.81	1.2
2011	261,893	106,328	542	156,107	45,305	40,029	85,334	1.83	1.2
2012	271,875	109,574	556	162,857	47,250	41,398	88,648	1.84	1.2
2013	277,234	111,531	355	166,058	57,035	39,357	96,392	1.72	1.2
2014	299,007	108,637	868	191,238	58,955	37,055	96,010	1.99	1.2
2015	305,974	106,028	1,426	201,372	61,050	33,293	94,343	2.13	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 <sup>(1)</sup>	Estimated Share of Overlapping Debt
<b>Direct debt:</b>			
General obligation bonds	\$ 15,665	100.00%	\$ 15,665
Amounts for issuance premiums	779	100.00%	779
Lease payable	84,545	100.00%	84,545
Total direct debt	100,989		100,989
<b>Overlapping debt:</b>			
Gwinnett County School District: <sup>(2)</sup>			
General obligation bonds	929,085	100.00%	929,085
Certificates of participation	189,775	100.00%	189,775
Total Gwinnett County School District	1,118,860		1,118,860
Municipalities within Gwinnett County: <sup>(3)</sup>			
Auburn: Leases payable	100	3.07%	3
Notes payable	643	3.07%	20
Total Auburn	743		23
Berkeley Lake: General obligation bonds	586	100.00%	586
Braselton: Revenue bonds	7,453	40.44%	3,014
Buford: General obligation bonds	7,503	92.35%	6,929
City of Peachtree Corners: Capital leases	10	100.00%	10
Duluth: Leases payable	139	100.00%	139
Lawrenceville: Revenue bonds	8,255	100.00%	8,255
Loganville: Notes and capital leases	41	24.16%	10
Norcross: Capital leases	345	100.00%	345
Snellville: Capital leases	1,378	100.00%	1,378
Revenue bonds	3,177	100.00%	3,177
Total Snellville	4,555		4,555
Sugar Hill: Landfill closure/postclosure	1,740	100.00%	1,740
Suwanee: General obligation bonds	13,957	100.00%	13,957
Revenue bonds	4,808	100.00%	4,808
Total Suwanee	18,765		18,765
Total municipalities within Gwinnett County	50,135		42,631
Subtotal, overlapping debt	1,168,995		1,161,491
Total direct and overlapping Debt	\$ 1,269,984		\$ 1,262,480

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

1) Based upon the percentage of the municipality's population within Gwinnett County (Source: U.S. Census Bureau's July 31, 2014 population estimates).

2) Based upon the Gwinnett County Board of Education's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

3) Based upon individual city's audit information for the fiscal year ended 2014.

## 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>
2006	740,267	\$ 25,472,669	\$ 34,410	4.1%
2007	764,129	\$ 26,310,191	\$ 34,432	4.0%
2008	780,721	\$ 26,175,909	\$ 33,528	5.6%
2009	796,276	\$ 25,361,971	\$ 31,851	8.7%
2010	808,274	\$ 25,684,851	\$ 31,773	9.2%
2011	824,790	\$ 27,703,158	\$ 33,580	8.7%
2012	839,758	\$ 28,227,895	\$ 33,596	7.8%
2013	858,071	\$ 29,229,075	\$ 34,029	6.9%
2014	877,726	\$ 31,055,775	\$ 35,374	6.0%
2015	895,823	Not yet available	Not yet available	5.1%

### Sources:

- 1) U.S. Census Bureau midyear population estimates. Estimates for 2010-2015 reflect county population estimates released March 2016.
- 2) Personal income data from the U.S. Bureau of Economic Analysis. Website visited March 31, 2016. Per capita personal income was calculated based on the U.S. Census Bureau's midyear population estimates.
- 3) Georgia Department of Labor, Workforce Statistics & Economic Research, Local Area Unemployment Unit (unemployment rates not seasonally adjusted). Website visited March 31, 2016.

*Note: Personal income and per capita personal income data last updated November 19, 2015 – new estimate for 2014; revised estimates for 2006 – 2013.*

## Principal Employers – Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Gwinnett County Public Schools	20,841	1	4.9%	19,378	1	4.9%
Gwinnett County Government*	4,940	2	1.2%	4,797	2	1.2%
Gwinnett Health Care System	3,991 **	3	0.9%	4,500	3	1.1%
Publix**	3,664	4	0.9%	3,318	5	0.8%
Wal-Mart	3,307 **	5	0.8%	3,990	4	1.0%
State of Georgia (includes Georgia Gwinnett College)	2,507 **	6	0.6%	2,144	7	0.5%
Kroger**	2,507	7	0.6%	2,042	8	0.5%
U.S. Postal Service	2,111	8	0.5%	2,613	6	0.7%
NCR	1,580	9	0.4%	–	–	–
Primerica	1,441	10	0.3%	1,858 **	9	0.5%
Cisco, previously Scientific Atlanta	–	–	–	1,680	10	0.4%

Sources: Gwinnett County Department of Financial Services survey of companies, Q1 2016. 2015 employee data for Primerica derived from business license data. 2006 principal employers obtained from page S-14 of the 2006 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 2006 and 2015.

\* Based on total authorized positions as of December 31, 2015 and December 31, 2006.

\*\* Full-time equivalent employees.

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

Function	Fiscal Year Ended December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	575	571	569	538	556	538	555	567	571	583
Public safety:										
Police	951	1,013	1,048	1,041	1,066	1,068	1,065	1,065	1,066	1,067
Fire	713	757	766	784	844	844	844	844	851	889
Corrections	142	142	142	125	139	134	134	134	134	136
Sheriff	621	686	688	701	706	706	706	706	706	713
Judiciary	415	436	452	466	466	482	469	471	478	491
Transportation	179	181	181	156	148	149	145	143	143	143
Community services	241	251	270	229	245	242	242	240	245	250
Water resources	606	619	623	604	577	576	580	579	580	592
Planning and development	143	142	154	70	81	76	72	76	80	76
<b>Total</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>	<b>4,854</b>	<b>4,940</b>

Source: Department of Financial Services, Budget Group

## Operating Indicators By Function – Last Ten Fiscal Years

Function	Fiscal Year Ended December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
General calls	360,690	466,762	532,440	528,813	498,703	451,551	441,408	419,381	405,580	401,822
Traffic calls	149,291	184,076	192,095	211,345	203,910	207,904	205,281	184,644	162,705	147,778
Officers/1,000 population	0.99	1.06	1.07	1.00	1.03	1.00	0.97	0.97	0.93	0.88
Fire										
Calls answered	61,886	64,541	63,655	65,722	62,995	64,450	66,757	66,831	71,084	74,497
Inspections	12,406	10,017	13,835	16,612	11,375	14,063	11,833	13,448	14,004	14,634
Transportation										
Street resurfacing (miles)	110	85	60	105	90	80	130	135	135	135
Parks and recreation										
Classes/programs/camps/events	4,643	5,616	6,259	6,660	6,581	6,047	6,313	6,651	7,030	7,150
Number of facility & pavilion rentals	4,457	6,073	9,268	24,122	14,283	11,298	11,781	10,385	9,543	11,530
Number of pool admissions & passes	400,014	445,000	586,009	570,090	522,322	575,000	541,000	418,310	461,893	471,480
Number of senior citizens' one-way passenger trips	38,232	39,687	39,472	30,456	35,543	32,424	36,173	28,723	38,264	47,368
Water										
Plant capacity (mgd)	225	225	225	225	225	225	225	225	225	225
Average daily consumption (mgd)	87.4	86.9	71.9	71.3	74.7	74.4	71.7	63.9	61.2	58.9
Maximum daily pumpage (mgd)	129.8	126.3	87.9	103.1	99.8	101.4	113.1	80.6	86.3	79.9
Water meters installed	7,290	4,705	1,557	620	977	946	1,417	2,560	2,544	3,422
Miles of water mains installed	94	81	45	18	6	17	18	25	10	22
Number of customers	230,752	234,447	233,675	228,807	227,356	228,223	230,652	229,126	224,771	228,579
Sewer										
Average annual daily flow (mgd)	51	49	50	53	53	50	49	53	52	53
Number of customers	138,284	141,807	146,267	146,276	147,637	148,714	150,951	156,358	157,747	160,862
Miles of sewer mains installed	111	116	46	23	7	11	5	37	10	20
Transit										
Total passengers	1,917,854	1,937,832	2,103,565	2,319,495	2,117,106	2,264,769	2,026,533	1,823,384	1,718,098	1,586,329

Source: County operating departments

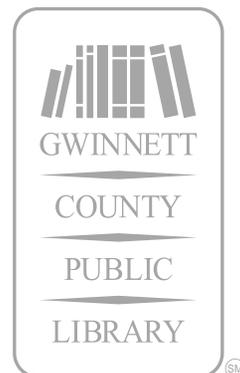
## Capital Asset Statistics By Function – Last Ten Fiscal Years

Function	Fiscal Year Ended December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police precincts/stations	10	12	12	12	11	11	11	11	11	11
Fire stations	26	27	28	28	30	30	30	30	30	30
Transportation										
Miles County-maintained roads	2,700	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,500
Street lights maintained	46,421	47,637	48,161	48,643	48,774	48,539	48,697	48,607	48,865	47,723
Traffic signals maintained	612	626	643	653	666	675	685	695	701	705
Parks and recreation										
Acreage total	8,247	8,602	8,695	8,849	8,988	8,992	8,978	9,282	9,413	9,646
Competition and leisure/play pools	12	14	17	17	17	17	17	17	17	17
Sports fields	135	139	149	150	150	150	154	170	175	175
Tennis courts	41	43	47	51	51	51	51	51	51	51
Playgrounds	36	42	47	52	52	61	63	67	69	68
Libraries	14	14	14	14	15	15	15	15	15	15
Library circulation	6,158,664	6,491,745	7,102,215	7,526,750	7,038,931	7,667,758	7,190,798	6,744,005	6,376,268	5,464,503
Water										
Miles of water mains	3,300	3,346	3,399	3,408	3,411	3,665	3,667	3,692	3,702	3,725
Fire hydrants	38,916	40,038	40,614	40,805	40,877	41,642	41,749	42,258	42,447	42,788
Raw water storage (mgd)	45	45	45	45	45	45	45	45	45	45
Sewer										
Miles of sewer mains	2,480	2,595	2,640	2,663	2,670	2,650	2,654	2,691	2,700	2,722
Treatment capacity (mgd)	71.6	71.6	71.6	67.1	102.6	103.0	100.5	100.5	100.5	100.5
Stormwater										
Miles of pipe	810	1,096	1,296	1,307	1,317	1,327	1,292	1,364	1,388	1,406
Transit buses	67	67	76	85	96	96	98	98	98	98

Source: County operating departments

# DID YOU KNOW...

in 2015, the **Gwinnett Public Library**  
offered a variety of programs that  
**attracted 212,940 residents to participate?**



# SINGLE AUDIT SECTION





**December 31, 2015**

**Index**

Schedule of Expenditures of Federal, State, and Local Awards	SA-2
Notes to Schedule of Expenditures of Federal, State, and Local Awards	SA-16
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-17
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-19
Schedule of Findings and Questioned Costs	SA-21

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2015

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
<b>U.S. Department of Housing and Urban Development</b>					
Community Development Block	14.218	CDBG-2008	B-08-UC-13-0004	1/1/08	1/30/16
Community Development Block	14.218	CDBG-2010	B-10-UC-13-0004	1/1/09	12/31/15
Community Development Block	14.218	CDBG-2011	B-11-UC-13-0004	1/1/10	12/31/15
Community Development Block	14.218	CDBG-2012	B-12-UC-13-0004	1/1/12	12/31/17
Community Development Block	14.218	CDBG-2013	B-13-UC-13-0004	1/1/13	12/31/18
Community Development Block	14.218	CDBG-2014	B-14-UC-13-0004	1/1/14	12/31/19
Community Development Block	14.218	CDBG-2015	B-15-UC-13-0004	1/1/15	12/31/20
Community Development Block	14.218	NSP HUD 2008 REVISED	B-08-UN-13-0005	3/5/09	12/31/16
Community Development Block	14.218	NSP3 HUD 2011	B-11-UN-13-0005	3/4/11	12/31/16
<b>SUBTOTAL</b>					
Community Development Block Grants/State's Program	14.228	NSP DCA-2008	08-NS-5063	11/18/08	12/31/16
Community Development Block Grants/State's Program	14.228	NSP3 DCA 2011	11-NS-5063	9/28/11	12/31/16
<b>SUBTOTAL</b>					
Emergency Solutions Grant Program	14.231	ES-2013	S-13-UC-13-0011	1/1/13	12/31/15
Emergency Solutions Grant Program	14.231	ES-2014	S-14-UC-13-0011	1/1/14	12/31/16
Emergency Solutions Grant Program	14.231	ES-2015	S-15-UC-13-0011	1/1/15	12/31/17
<b>SUBTOTAL</b>					
HOME Investment Partnerships Program	14.239	HOME-2008	M-08-UC-13-0201	1/1/08	12/31/15
HOME Investment Partnerships Program	14.239	HOME-2010	M-10-UC-13-0201	1/1/10	12/31/16
HOME Investment Partnerships Program	14.239	HOME-2011	M-11-UC-13-0201	1/1/11	12/31/16
HOME Investment Partnerships Program	14.239	HOME-2012	M-12-UC-13-0201	1/1/12	12/31/17
HOME Investment Partnerships Program	14.239	HOME-2013	M-13-UC-13-0201	1/1/13	12/31/18
HOME Investment Partnerships Program	14.239	HOME-2014	M-14-UC-13-0201	1/1/14	12/31/19
HOME Investment Partnerships Program	14.239	HOME-2015	M-15-UC-13-0201	1/1/15	12/31/20
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					

Federal	State/Local	Award Amount	Federal			State		Local	
			Expenditures	Revenue	Expenditures to Sub-Recipients	Expenditures	Revenue	Expenditures	Revenue
U.S. Department of Housing and Urban Development		4,126,332		11,437					
U.S. Department of Housing and Urban Development		4,561,860	3,388	3,388	3,364				
U.S. Department of Housing and Urban Development		3,828,221	18,886	18,886	9,680				
U.S. Department of Housing and Urban Development		4,322,154	244,783	249,277	241,871				
U.S. Department of Housing and Urban Development		4,888,570	1,203,528	1,203,418	552,955				
U.S. Department of Housing and Urban Development		5,098,532	1,583,124	1,602,186	1,576,859			541	
U.S. Department of Housing and Urban Development		5,250,476	3,398,618	3,398,618	3,398,618			70,316	88,572
U.S. Department of Housing and Urban Development		10,507,827	74,456	92,404	26,720			637,855	757,088
U.S. Department of Housing and Urban Development		2,065,581	242,645	348,808	5,578			66,040	
			<b>\$ 6,769,428</b>	<b>\$ 6,928,422</b>	<b>\$ 5,815,645</b>			<b>\$ 774,752</b>	<b>\$ 845,660</b>
U.S. Department of Housing and Urban Development	Georgia Department of Community Affairs	3,004,227	149,753	251,649	22,500			196,385	224,392
U.S. Department of Housing and Urban Development	Georgia Department of Community Affairs	3,493,895	306,895	356,568	135,000			291,822	730,032
			<b>\$ 456,648</b>	<b>\$ 608,217</b>	<b>\$ 157,500</b>			<b>\$ 488,207</b>	<b>\$ 954,424</b>
U.S. Department of Housing and Urban Development		315,068	22,738	22,738	13,637				
U.S. Department of Housing and Urban Development		397,141	176,701	176,700	164,970				
U.S. Department of Housing and Urban Development		454,466	268,555	268,555	268,555				
			<b>\$ 467,994</b>	<b>\$ 467,993</b>	<b>\$ 447,162</b>				
U.S. Department of Housing and Urban Development		1,443,535							900
U.S. Department of Housing and Urban Development		1,584,502	549	549					
U.S. Department of Housing and Urban Development		1,390,424	16,132	16,132					
U.S. Department of Housing and Urban Development		1,275,207	254,718	277,218	243,483				
U.S. Department of Housing and Urban Development		1,364,350	336,411	336,439	285,099				
U.S. Department of Housing and Urban Development		1,505,743	694,396	694,396	656,941			9,540	8,540
U.S. Department of Housing and Urban Development		1,505,743						23,713	26,713
			<b>\$ 1,302,206</b>	<b>\$ 1,324,734</b>	<b>\$ 1,185,523</b>			<b>\$ 33,253</b>	<b>\$ 36,153</b>
			<b>\$ 8,996,276</b>	<b>\$ 9,329,366</b>	<b>\$ 7,605,830</b>			<b>\$ 1,296,212</b>	<b>\$ 1,836,237</b>

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2015 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
<b>U.S. Department of Justice</b>					
Juvenile Accountability Block Grants	16.523	CJCC-14/15(JJI)	Y15-8-021 & N10-8-025	7/1/14	6/30/15
Juvenile Accountability Block Grants	16.523	CJCC-15(JJDP)	JJ-15-009	1/1/15	9/30/15
Juvenile Accountability Block Grants	16.523	CJCC-15/16(JJDP)	T13-8-002	10/1/15	9/30/16
<b>SUBTOTAL</b>					
Crime Victim Assistance	16.575	PACGA-13(VOCA)	C13-8-048	10/1/13	1/31/15
Crime Victim Assistance	16.575	PACGA-14(VOCA)	C13-8-102	10/1/14	9/30/15
<b>SUBTOTAL</b>					
Drug Court Discretionary Grant Program	16.585	DOJ-14(DC)	2014-DC-BX-0043	10/1/14	9/30/16
<b>SUBTOTAL</b>					
State Criminal Alien Assistance Program	16.606	DOJ-12(SCAAP)	2012-AP-BX-0755	12/1/12	6/30/15
State Criminal Alien Assistance Program	16.606	DOJ-13(SCAAP)	2013-AP-BX-0742	10/3/13	12/31/15
State Criminal Alien Assistance Program	16.606	DOJ-14(SCAAP)	2014-AP-BX-0007	12/2/14	12/31/16
State Criminal Alien Assistance Program	16.606	DOJ-15(SCAAP)	2015-AP-BX-0089	11/3/15	12/31/17
<b>SUBTOTAL</b>					
Equitable Sharing Program	16.922	Police-21090001/DA-32000004/ Sheriff-27080001	N/A	N/A	N/A
<b>SUBTOTAL</b>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-12(JAG)	2012-DJ-BX-1011	10/1/11	9/30/15
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ-13(JAG)	2013-DJ-BX-1049	10/1/12	9/30/16
<b>SUBTOTAL</b>					
Justice and Mental Health Collaboration Program	16.745	DOJ-14(JMHCP)	2014-MO-BX-0038	10/1/14	9/30/16
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>					

Federal	State/Local	Award Amount	Federal			State		Local	
			Expenditures	Revenue	Expenditures to Sub-Recipients	Expenditures	Revenue	Expenditures	Revenue
U.S. Department of Justice	Criminal Justice Coordinating Council	418,883		(35,722)		340,601	297,209		
U.S. Department of Justice	Criminal Justice Coordinating Council	51,693	51,693	51,693					
U.S. Department of Justice	Criminal Justice Coordinating Council	51,696	12,169	12,169					
			\$ 63,862	\$ 28,140		\$ 340,601	\$ 297,209		
U.S. Department of Justice	Prosecuting Attorneys' Council of Georgia								
U.S. Department of Justice	Prosecuting Attorneys' Council of Georgia	22,464	39					10	520
			\$ 39					\$ 10	\$ 520
U.S. Department of Justice		130,410	37,683	37,683	20,186				2,496
			\$ 37,683	\$ 37,683	\$ 20,186				\$ 2,496
U.S. Department of Justice		101,242	4,914						
U.S. Department of Justice		99,451	53,444						
U.S. Department of Justice		149,721	86,807						
U.S. Department of Justice		44,985		44,985					
			\$ 145,165	\$ 44,985					
U.S. Department of Justice		N/A	756,492						
			\$ 756,492						
U.S. Department of Justice		166,954	79,265	79,265	9,000				
U.S. Department of Justice		149,642	10,000	10,000	10,000				
			\$ 89,265	\$ 89,265	\$ 19,000				
U.S. Department of Justice		110,458	3,039	3,039	1,207				
			\$ 3,039	\$ 3,039	\$ 1,207				
			\$ 1,095,545	\$ 203,112	\$ 40,393	\$ 340,601	\$ 297,209	\$ 10	\$ 3,016

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2015 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
<b>U.S. Department of Labor</b>					
WIA Adult Program	17.258	WIA-2013	WD1417	7/1/13	6/30/15
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>					
<b>U.S. Department of Transportation</b>					
Airport Improvement Program	20.106	GADOT 14-AP(135)	AP014-9021-30(135)	3/6/14	12/31/15
Airport Improvement Program	20.106	GADOT 15-AP(135)	AP015-9021-31(135)	7/21/14	12/31/16
<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 06-588	CSTEE-0006-00(588)	7/5/12	12/31/15
Highway Planning and Construction	20.205	GADOT 06-823	CSSTP-0006-00(823)	6/19/12	6/19/17
Highway Planning and Construction	20.205	GADOT 07-617	CSHPP-0007-00(617)	7/17/12	12/31/15
Highway Planning and Construction	20.205	GADOT 08(075)	CSTEE-0009-00(075)	12/23/08	2/28/15
Highway Planning and Construction	20.205	GADOT 08(905)	CSSTP-0008-00(905)	10/7/08	10/7/18
Highway Planning and Construction	20.205	GADOT 09(076)	CSTEE-0009-00(076)	10/23/13	12/31/15
Highway Planning and Construction	20.205	GADOT-14(883)	PI-0012883	7/1/14	4/30/17
Highway Planning and Construction	20.205	GADOT-14(884)	PI-0012884	7/1/14	6/30/17
Highway Planning and Construction	20.205	ARC-14(CTP)	N/A	8/19/14	9/30/16
<b>SUBTOTAL</b>					
Federal Transit – Formula Grant	20.507	ARRA-FTA-004	GA-96-X004-00	7/13/09	12/31/15
Federal Transit – Formula Grant	20.507	FTA-315 (OPERATING)	GA-90-X315-00	8/9/12	12/31/16
Federal Transit – Formula Grant	20.507	FTA-336 (OPERATING)	GA-90-X336-00	5/6/14	12/31/18
Federal Transit – Formula Grant	20.507	FTA-349 (OPERATING)	GA-90-X349-00	6/30/15	3/31/17
Federal Transit – Formula Grant	20.507	GRTA-2013	N/A	7/1/13	6/30/16
<b>SUBTOTAL</b>					
New Freedom Program	20.521	MARTA-12/NEW FREEDOM	GA-57-X002-03	3/20/12	6/30/15
New Freedom Program	20.521	MARTA-13/NEW FREEDOM	GA-57-X002-04	9/1/13	10/31/16
New Freedom Program	20.521	MARTA-14/NEW FREEDOM	GA-57-X015-00	9/1/14	10/31/16
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>					

Federal	State/Local	Award Amount	Federal			State		Local	
			Expenditures	Revenue	Expenditures to Sub-Recipients	Expenditures	Revenue	Expenditures	Revenue
U.S. Department of Labor	Atlanta Regional Commission	157,987	92,704	90,895					1
			\$ 92,704	\$ 90,895					\$ 1
			\$ 92,704	\$ 90,895					\$ 1
U.S. Department of Transportation	Georgia Department of Transportation	78,048	3,455						
U.S. Department of Transportation	Georgia Department of Transportation	132,872	130,125	130,125					
			\$ 133,580	\$ 130,125					
U.S. Department of Transportation	Georgia Department of Transportation	21,890,000	34,014	34,014					
U.S. Department of Transportation	Georgia Department of Transportation	50,021,191	6,641,441	7,989,893					
U.S. Department of Transportation	Georgia Department of Transportation	1,050,000		10,290					
U.S. Department of Transportation	Georgia Department of Transportation	1,000,000		90,801					
U.S. Department of Transportation	Georgia Department of Transportation	880,357	214,458	356,233					
U.S. Department of Transportation	Georgia Department of Transportation	269,970		11,541					
U.S. Department of Transportation	Georgia Department of Transportation	430,814	2,559	19,345					
U.S. Department of Transportation	Georgia Department of Transportation	688,480	233,600	221,920					
U.S. Department of Transportation	Georgia Department of Transportation	500,000	228,882	239,223					
U.S. Department of Transportation	Georgia Department of Transportation	900,000	200,757	187,196					
U.S. Department of Transportation	Georgia Department of Transportation	300,000	143,554	123,208					
U.S. Department of Transportation	Atlanta Regional Commission	1,000,000	173,560	173,560					
			\$ 7,872,825	\$ 9,457,224					
U.S. Department of Transportation	Federal Transit Administration	9,662,766	121,043	121,043					
U.S. Department of Transportation	Federal Transit Administration	9,504,000	1,389,649	1,394,324					
U.S. Department of Transportation	Federal Transit Administration	2,327,203	1,794,136	1,798,456					
U.S. Department of Transportation	Federal Transit Administration	5,303,217	1,207,624	1,204,682					
U.S. Department of Transportation	Georgia Regional Transportation Authority	6,358,111	712,126	712,126		1,322,093	1,322,093	686,322	685,027
			\$ 5,224,578	\$ 5,230,631		\$ 1,322,093	\$ 1,322,093	\$ 686,322	\$ 685,027
U.S. Department of Transportation	Metro Atlanta Regional Transit Authority	158,766	1,619	1,619				109	
U.S. Department of Transportation	Metro Atlanta Regional Transit Authority	182,916	7,418	6,525				3,657	
U.S. Department of Transportation	Metro Atlanta Regional Transit Authority	210,225	158,743	157,768				110,832	115,202
			167,780	165,912				114,598	115,202
			\$ 13,398,763	\$ 14,983,892		\$ 1,322,093	\$ 1,322,093	\$ 800,920	\$ 800,229

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2015 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
<b>U.S. Department of Treasury</b>					
Equitable Sharing Program	21.000	Sheriff-27080003	N/A	N/A	N/A
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>					
<b>U.S. Department of Health and Human Services</b>					
Community Based Care Transitions	93.621	AR11-CBCT	AG1210	3/1/12	12/31/15
Community Based Care Transitions	93.621	AR12-CBCT	AG1307	7/1/12	12/31/16
Community Based Care Transitions	93.621	AR14-CBCT	AG1507	7/1/14	6/30/15
Community Based Care Transitions	93.621	AR15-CBCT	AG1507	7/1/15	6/30/16
<b>SUBTOTAL</b>					
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR11-III B	AG1210	7/1/11	6/30/15
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR12-III B	AG1307	7/1/12	6/30/15
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR13-III B	AG1307	7/1/13	6/30/15
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR14-III B	AG1507	7/1/14	6/30/15
Special Programs for the Aging – Title III, Part B-Supportive Services and Senior Center	93.044	AR15-III B	AG1507	7/1/15	6/30/16
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR10-IIIC	AG1117	7/1/10	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR11-IIIC	AG1210	7/1/11	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR12-IIIC	AG1307	7/1/12	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR13-IIIC	AG1307	7/1/13	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR14-IIIC	AG1507	7/1/14	6/30/15
Special Programs for the Aging – Title III, Part C-Nutrition Services	93.045	AR15-IIIC	AG1507	7/1/15	6/30/16
Nutrition Services Incentive Program	93.053	AR10-NSIP	AG1117	7/1/10	6/30/15
Nutrition Services Incentive Program	93.053	AR11-NSIP	AG1210	7/1/11	6/30/15
Nutrition Services Incentive Program	93.053	AR12-NSIP	AG1307	7/1/12	6/30/15
Nutrition Services Incentive Program	93.053	AR13-NSIP	AG1307	7/1/13	6/30/15
Nutrition Services Incentive Program	93.053	AR14-NSIP	AG1507	7/1/14	6/30/15
Nutrition Services Incentive Program	93.053	AR15-NSIP	AG1507	7/1/15	6/30/16
<b>SUBTOTAL</b>					

Federal	State/Local	Award Amount	Federal			State		Local	
			Expenditures	Revenue	Expenditures to Sub-Recipients	Expenditures	Revenue	Expenditures	Revenue
US Department of Treasury		N/A	87,328						
			<b>87,328</b>						
			<b>\$ 87,328</b>						
U.S. Department of Health and Human Services	Atlanta Regional Commission	1,054							
U.S. Department of Health and Human Services	Atlanta Regional Commission	2,000	7,005						
U.S. Department of Health and Human Services	Atlanta Regional Commission	5,000	2,440	2,000					
U.S. Department of Health and Human Services	Atlanta Regional Commission	3,000	1,350	1,400					
			<b>\$ 10,795</b>	<b>\$ 3,400</b>					
U.S. Department of Health and Human Services	Atlanta Regional Commission	141,818						80	
U.S. Department of Health and Human Services	Atlanta Regional Commission	214,681	855			50		101	
U.S. Department of Health and Human Services	Atlanta Regional Commission	389,528	9,339			549		1,099	
U.S. Department of Health and Human Services	Atlanta Regional Commission	289,545	91,555	149,008		5,386	8,765	10,771	23,635
U.S. Department of Health and Human Services	Atlanta Regional Commission	267,324	69,813	93,059		4,107	5,474	8,213	26,121
U.S. Department of Health and Human Services	Atlanta Regional Commission	378,486						6	
U.S. Department of Health and Human Services	Atlanta Regional Commission	378,486	37,347			2,197		4,394	
U.S. Department of Health and Human Services	Atlanta Regional Commission	383,087	20,725			1,219		2,438	
U.S. Department of Health and Human Services	Atlanta Regional Commission	568,000	13,391			788		1,575	
U.S. Department of Health and Human Services	Atlanta Regional Commission	676,873	187,133	347,023		11,008	20,413	22,016	23,447
U.S. Department of Health and Human Services	Atlanta Regional Commission	658,773	109,740	365,475		6,455	21,499	12,911	70,085
U.S. Department of Health and Human Services	Atlanta Regional Commission	41,552	691						
U.S. Department of Health and Human Services	Atlanta Regional Commission	81,880	11,894						
U.S. Department of Health and Human Services	Atlanta Regional Commission	81,880	1,041			6,853			
U.S. Department of Health and Human Services	Atlanta Regional Commission	82,544	106			2,500			
U.S. Department of Health and Human Services	Atlanta Regional Commission	116,213	20,738	44,276		7,623	30,872		700
U.S. Department of Health and Human Services	Atlanta Regional Commission	131,055	2,308	40,721			28,636		
			<b>\$ 576,676</b>	<b>\$ 1,039,562</b>		<b>\$ 48,735</b>	<b>\$ 115,659</b>	<b>\$ 63,604</b>	<b>\$ 143,988</b>

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2015 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
National Family Caregiver Support	93.052	ARI2-IIIIE	AG1307	7/1/12	12/31/15
National Family Caregiver Support	93.052	ARI4-IIIIE	AG1507	7/1/14	6/30/15
National Family Caregiver Support	93.052	ARI5-IIIIE	AG1507	7/1/15	6/30/16
<b>SUBTOTAL</b>					
Substance Abuse and Mental Health Services	93.243	DHHS-12(SAMHSA)	1H79TI024170-01	9/30/12	9/29/15
Substance Abuse and Mental Health Services	93.243	DHHS-15(SAMHSA)	1H79TI026114-01	9/30/15	9/29/18
<b>SUBTOTAL</b>					
Temporary Assistance for Needy Families	93.558	CASA-14/15	42700-040-0000030067	7/1/14	6/30/15
Temporary Assistance for Needy Families	93.558	CASA-15/16	42700-040-0000030067	7/1/15	6/30/16
<b>SUBTOTAL</b>					
Social Services Block Grant	93.667	ARI1-SSBG	AG1210	7/1/11	6/30/15
Social Services Block Grant	93.667	ARI2-SSBG	AG1307	3/1/13	6/30/15
Social Services Block Grant	93.667	ARI4-SSBG NSIP	AG1507	7/1/14	6/30/15
Social Services Block Grant	93.667	ARI5-SSBG NSIP	AG1507	7/1/15	6/30/16
<b>SUBTOTAL</b>					
Home Delivered Meals Program	93.778	GADCH-10/11	000272742B	7/1/10	12/31/16
Home Delivered Meals Program	93.778	GADCH-11/12	000272742B	7/1/11	12/31/16
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
<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>					

Federal	State/Local	Award Amount	Federal			State		Local	
			Expenditures	Revenue	Expenditures to Sub-Recipients	Expenditures	Revenue	Expenditures	Revenue
U.S. Department of Health and Human Services	Atlanta Regional Commission	52,469	4,583			917		611	
U.S. Department of Health and Human Services	Atlanta Regional Commission	81,693	21,021	44,926		4,204	8,985	2,803	5,990
U.S. Department of Health and Human Services	Atlanta Regional Commission	79,058	14,827	25,694		2,965	5,139	1,977	3,426
			\$ 40,431	\$ 70,620		\$ 8,086	\$ 14,124	\$ 5,391	\$ 9,416
U.S. Department of Health and Human Services		620,425	160,830	160,830	160,830				
U.S. Department of Health and Human Services		974,924	14,597	14,597	14,597				
			\$ 175,427	\$ 175,427	\$ 175,427				
U.S. Department of Health and Human Services	Georgia Court Appointed Special Advocate	42,056	20,564	21,028					
U.S. Department of Health and Human Services	Georgia Court Appointed Special Advocate	45,621	24,094	18,292		5,952	4,519		
			\$ 44,658	\$ 39,320		\$ 5,952	\$ 4,519		
U.S. Department of Health and Human Services	Atlanta Regional Commission	103,294	2,955					403	
U.S. Department of Health and Human Services	Atlanta Regional Commission	15,593	11,390					1,553	
U.S. Department of Health and Human Services	Atlanta Regional Commission	19,951	3,484	13,454					
U.S. Department of Health and Human Services	Atlanta Regional Commission	22,499		11,926					
			\$ 17,829	\$ 25,380				\$ 1,956	
U.S. Department of Health and Human Services	Georgia Department of Community Health	59,522	23,769						
U.S. Department of Health and Human Services	Georgia Department of Community Health	43,821	936						
			\$ 24,705						
			\$ 890,521	\$ 1,353,709	\$ 175,427	\$ 62,773	\$ 134,302	\$ 70,951	\$ 153,404
High Intensity Drug Trafficking Area			379,099	368,822					
			\$ 379,099	\$ 368,822					
			\$ 379,099	\$ 368,822					

continued...

## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2015 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
<b>U.S. Department of Homeland Security</b>					
Disaster Grants – Public Assistance	97.036	GADHS-2009(FLOOD)	FEMA-1858-DR-GA	9/26/09	7/31/15
<b>SUBTOTAL</b>					
Hazard Mitigation Grant	97.039	GEMA HMGP-1858-57	HMGP-1858-0057	3/1/12	6/30/15
<b>SUBTOTAL</b>					
Emergency Management Performance Grants	97.042	GADHS-14(PPA)	OEM14-069	7/1/14	6/30/15
Emergency Management Performance Grants	97.042	GADHS-15(PPA)	OEM15-069	7/1/15	6/30/16
<b>SUBTOTAL</b>					
Homeland Security Grant Program	97.067	GADHS-14(BW3107)	EMW-2013-SS-00054-S01	9/1/13	4/30/15
Homeland Security Grant Program	97.067	GADHS-14(BW3143)	EMW-2013-SS-00054-S01	9/1/13	3/31/15
Homeland Security Grant Program	97.067	GADHS-14(BW3259)	EMW-2014-SS-00092-S01	11/18/14	1/8/16
Homeland Security Grant Program	97.067	GADHS-14(BW3272)	EMW-2014-SS-00092-S01	11/18/14	12/18/15
Homeland Security Grant Program	97.067	GADHS-14(BW3300)	EMW-2014-SS-00092-S01	11/18/14	12/14/15
Homeland Security Grant Program	97.067	GADHS-14(BW3316)	EMW-2014-SS-00092-S01	11/18/14	12/14/15
Homeland Security Grant Program	97.067	GADHS-15(SHO-035)	EMW-2015-SS-00065-S01	10/20/15	8/31/16
<b>SUBTOTAL</b>					
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
<b>TOTAL FEDERAL ASSISTANCE</b>					

Federal	State/Local	Award Amount	Federal			State		Local	
			Expenditures	Revenue	Expenditures to Sub-Recipients	Expenditures	Revenue	Expenditures	Revenue
U.S. Department of Homeland Security	Georgia Department of Homeland Security		1,082,553	(291,979)		144,340	(38,931)		
			<b>\$ 1,082,553</b>	<b>\$ (291,979)</b>		<b>\$ 144,340</b>	<b>\$ (38,931)</b>		
U.S. Department of Homeland Security	Georgia Department of Homeland Security	2,125,457	3,024	3,024		86,102	86,102	12,171	
			<b>\$ 3,024</b>	<b>\$ 3,024</b>		<b>\$ 86,102</b>	<b>\$ 86,102</b>	<b>\$ 12,171</b>	
U.S. Department of Homeland Security	Georgia Department of Homeland Security	100,000	98,431						
U.S. Department of Homeland Security	Georgia Department of Homeland Security	100,000		100,000					
			<b>\$ 98,431</b>	<b>\$ 100,000</b>					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	6,000	3,929	3,929					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	59,000	35,200	35,200					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	100,000	96,829	96,829					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	20,000	18,207	18,207					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	19,384	19,384	19,384					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	6,000	4,408	4,408					
U.S. Department of Homeland Security	Georgia Department of Homeland Security	35,000	2,845						
			<b>\$ 180,802</b>	<b>\$ 177,957</b>					
			<b>\$ 1,364,810</b>	<b>\$ (10,998)</b>		<b>\$ 230,442</b>	<b>\$ 47,171</b>	<b>\$ 12,171</b>	
			<b>\$ 26,305,046</b>	<b>\$ 26,318,798</b>	<b>\$ 7,821,650</b>	<b>\$ 1,955,909</b>	<b>\$ 1,800,775</b>	<b>\$ 2,180,264</b>	<b>\$ 2,792,887</b>

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## Schedule of Expenditures of Federal, State, and Local Awards – Year ended December 31, 2015 (continued)

Title	CFDA	Grantor Program Number	Grantee Number	From Date	Valid To
<b>State Funding</b>					
Alzheimer's Program	N/A	AR12-ALZ	AG1307	7/1/12	6/30/15
Alzheimer's Program	N/A	AR13-ALZ	AG1307	7/1/13	6/30/15
Alzheimer's Program	N/A	AR14-ALZ	AG1507	7/1/14	6/30/15
Alzheimer's Program	N/A	AR15-ALZ	AG1507	7/1/15	6/30/16
Alzheimer's Program	N/A	AR14-ALZV	N/A	3/1/15	12/31/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR10-CBS	AG1117	7/1/10	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR11-CBS	AG1210	7/1/11	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR12-CBS	AG1307	7/1/12	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR13-CBS	AG1307	7/1/13	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR14-CBS	AG1507	7/1/14	6/30/15
Community-Based Day Care Services Division of Aging Services Home Delivered Meals	N/A	AR15-CBS	AG1507	7/1/15	6/30/16
Special Program for Aging	N/A	AR11-ITCO	AG1210	7/1/11	6/30/15
Special Program for Aging	N/A	AR12-ITCO	AG1307	7/1/12	12/31/16
Special Program for Aging	N/A	AR13-ITCO	AG1307	7/1/13	6/30/15
Special Program for Aging	N/A	AR14-ITCO	AG1507	7/1/14	6/30/15
Special Program for Aging	N/A	AR15-ITCO	AG1507	7/1/15	6/30/16
Accountability Court – Drug Program	N/A	CJCC-14/15(DRUG)	J15-8-025	7/1/14	6/30/15
Accountability Court – Drug Program	N/A	CJCC-15/16(DRUG)	J16-8-026	7/1/15	6/30/16
Accountability Court – DUI Program	N/A	CJCC-14/15(DUI)	A15-8-015	7/1/14	6/30/15
Accountability Court – DUI Program	N/A	CJCC-15/16(DUI)	A16-8-015	7/1/15	6/30/16
Juvenile Justice Incentive Grant Program	N/A	CJCC-15/16(JJI)	Y16-8-020	7/1/15	6/30/16
Accountability Court – Juvenile Drug Program	N/A	CJCC-14/15(JUV)	A15-8-031	7/1/14	6/30/15
Accountability Court – Juvenile Drug Program	N/A	CJCC-15/16(JUV)	A16-8-029	7/1/15	6/30/16
Accountability Court – Mental Health Program	N/A	CJCC-14/15(MENTAL)	J15-8-054	7/1/14	6/30/15
Accountability Court – Mental Health Program	N/A	CJCC-15/16(MENTAL)	J16-8-061	7/1/15	6/30/16
Accountability Court – Veterans Court	N/A	CJCC-15(VETERANS)	J15-8-079	1/1/15	9/30/15
Accountability Court – Veterans Court	N/A	CJCC-15/16(VETERANS)	J16-8-086	7/1/15	6/30/16
Live Healthy Gwinnett	N/A	EMC-14	N/A	7/15/14	7/14/15
Family Connection for Gwinnett Coalition Fiscal Agent	N/A	GADHS-FAMCONN 14/15	42700-93-151500064	7/1/14	9/30/15
Roadside Enhancement and Beautification	N/A	GATEWAY GRANT (GADOT)	N/A	6/1/15	12/31/17
Judicial Workload Assessment Program	N/A	SJJ-14	SJJ-14-T-163	8/1/14	8/1/15
<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	
			Expenditures	Revenue	Expenditures to Sub-Recipients	Expenditures	Revenue	Expenditures	Revenue
	Atlanta Regional Commission	41,586				3,186			
	Atlanta Regional Commission	41,586				3,180			
	Atlanta Regional Commission	87,669				38,199	52,226		
	Atlanta Regional Commission	87,669				25,562	39,975		
	Atlanta Regional Commission	10,900				10,437	10,652		
	Atlanta Regional Commission	236,670				7,507			
	Atlanta Regional Commission	270,898				33,265			
	Atlanta Regional Commission	266,210				37,117			
	Atlanta Regional Commission	375,329				26,115			
	Atlanta Regional Commission	413,087				165,293	239,763		
	Atlanta Regional Commission	403,741				92,214	198,115		
	Atlanta Regional Commission	2,467				523			
	Atlanta Regional Commission	2,467				436			
	Atlanta Regional Commission	3,446				1,142			
	Atlanta Regional Commission	2,951				2,318	1,816		
	Atlanta Regional Commission	2,886					1,305		
	Criminal Justice Coordinating Council	117,622				64,173	64,173	7,130	3,285
	Criminal Justice Coordinating Council	339,641				134,149	133,932		
	Criminal Justice Coordinating Council	48,074				21,036	21,036	2,337	1,945
	Criminal Justice Coordinating Council	48,144				22,758	22,758		
	Criminal Justice Coordinating Council	499,937				235,310	235,310		
	Criminal Justice Coordinating Council	49,795				23,873	24,283	2,653	(2,105)
	Criminal Justice Coordinating Council	72,572				30,905	31,533	3,434	8,064
	Criminal Justice Coordinating Council	103,061				48,019	48,019	5,335	2,437
	Criminal Justice Coordinating Council	123,485				47,413	47,353		
	Criminal Justice Coordinating Council	7,187				7,187	7,187	799	799
	Criminal Justice Coordinating Council	68,016				22,861	22,861		
	Eastside Medical Center	19,273						4,662	11,529
	Georgia Department of Human Services	45,000				27,087	27,087		
	Georgia Department of Transportation	50,000					50,000		
	State Justice Institute	50,000						55,000	52,500
						\$ 1,131,265	\$ 1,279,384	\$ 81,350	\$ 78,454
			\$ 26,305,046	\$ 26,318,798	\$ 7,821,650	\$ 3,087,174	\$ 3,080,159	\$ 2,261,614	\$ 2,871,341

### 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

In 2015, Gwinnett County provided federal awards of \$7,821,650 to sub-recipients or directly to citizens. These disbursements are included in the federal expenditures to sub-recipients column presented in the Schedule of Expenditures of Federal, State, and Local Awards.



**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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2016. 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. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

**Internal Control Over Financial Reporting**

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

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

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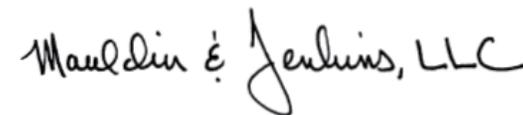
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia  
June 22, 2016



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

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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 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, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Gwinnett County Board of Health, which received \$8,164,812 in federal awards which are not included in the Schedule of Expenditures of Federal, State, and Local Awards for the year ended December 31, 2015. Our audit, described below, did not include the operations of the Gwinnett County Board of Health because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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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, 2015.

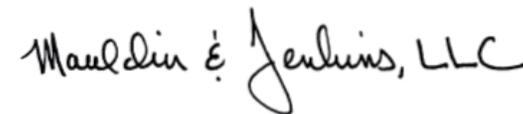
**Report on Internal Control Over Compliance**

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

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

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

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



Atlanta, Georgia  
June 22, 2016

# GWINNETT COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2015

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### (1) Summary of Auditors' Results

- (a) The type of report issued on whether the financial statements audited were prepared in accordance with GAAP: **unmodified opinion**
- (b) Internal control over financial reporting:
  - Material weaknesses identified: **no**
  - Significant deficiencies identified, not considered to be material weaknesses: **none reported**
- (c) Noncompliance material to the financial statements noted: **no**
- (d) Internal control over major federal programs:
  - Material weaknesses identified: **no**
  - Significant deficiencies identified, not considered to be material weaknesses: **none reported**
- (e) The type of report issued on compliance for major federal programs: **unmodified.**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): **no**
- (g) Major Programs:
  - Community Development Block Grants, CFDA #14.218**
  - Disaster Grants – Public Assistance (Presidentially Declared Disasters), CFDA # 97.036**

# GWINNETT COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2015

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

(h) Dollar threshold to distinguish between Type A and Type B programs: **\$789,151**

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

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

**None.**

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

**None.**

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

**None.**

# DID YOU KNOW...

in 2015, the **Gwinnett County Board of Commissioners**  
successfully launched its inaugural  
**Gwinnett 101: Citizens Academy** class?



# DISCLOSURE SECTION



## Disclosure Section (Unaudited)



### Continuing Annual and Event Disclosures

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

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

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

### Agreement and Affected Bond Issue

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

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

# Description of the Water and Sewerage System

## The Water System

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

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

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

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

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

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

Additional improvements and enhancements to the Lanier Filter Plant have been ongoing, intended to enhance reliability and accommodate growth. The clear well storage was increased by 20 mg. This increased finished water storage, allowing multi-day averaging to reduce maximum day demand peaking factor from 1.67 to 1.5, which extended the sufficiency of the Lanier Filter Plant capacity by several years. Also, an upgrade of the residuals handling facility was completed in August 2002. This improvement removed the previous liquid sludge contribution to the sanitary sewer system and replaced it with a dewatering system capable of producing a residuals product. Work was completed in 2008 to provide an enhanced Backwash Equalization Process to improve operation of the residuals facility. The addition of two backwash equalization tanks, a filtrate equalization tank, and recycle pump station enables the plant to recycle the filter backwash water. This new process allows the plant to save and recycle 2 MGD and thereby reduce the amount of raw water withdrawn from the lake. The existing backwash pumps were replaced in 2013. In 2014, standby generators capable of powering essential treatment processes were installed in at both water plants and one raw water pump station was installed.



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

The 1986 Amendments to the *Safe Drinking Water Act* (SDWA) expanded requirements for testing and monitoring for lead and copper content of drinking water (the “*Lead and Copper Rule*”), along with other new water quality parameters. The County conducted a corrosion optimization study that examined options available to minimize corrosion. The County has conducted full-scale system evaluations of corrosion inhibitors to select products best suited for this specific water chemistry. EPD approved the County’s long-term corrosion control plan in 1995 and in 1999. Successful use of blended phosphate corrosion inhibitors has optimized the County’s corrosion control program. This program has reduced the Lead/Copper sampling frequency to one event every three years. The most recent sampling and testing was completed in 2014. The test results were in full compliance.

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

**Vulnerability Assessment:** *The Public Health, Security, and Bioterrorism Preparedness and Response Act of 2002* (PL107-188) required community water systems serving more than 100,000 persons to conduct Vulnerability Assessments and prepare specific Emergency Response Plans. The Vulnerability Assessment was completed by the March 2003 deadline, and the Emergency Response Plan was finished by September 2003, as required. Both documents were updated in 2013. Additional security upgrades are factored into future capital improvement planning based on the results of an updated 2013 Vulnerability Assessment.

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

**Distribution Mains:** The distribution main system consists of approximately 3,546 miles of pipes in addition to the transmission mains. These pipes consist of varying materials and sizes, and distribute water from the transmission main system to the customers. More than 50 percent of the distribution system has been installed in the last 25 years.

**Booster Stations:** The Water System includes booster pump stations that raise water pressure in local areas to acceptable levels. They are used to provide service to customers in hill-top areas above the system delivery gradient or where limitations in transmission and storage capacity make delivery pressures too low. Currently, the water distribution system has 10 booster stations. While booster stations raise water pressure above the standard system gradient, topography dictates that other areas (considerably below the system delivery gradient) are relieved of excess pressure. This pressure management is accomplished by the creation of special zones that are isolated under normal circumstances by pressure-reducing valves.

To optimize service delivery, the County has established four separate pressure zones based on topography: South, Central, North, and Upper North. The Upper North Pressure Zone consists of the highest elevations in the county and is served by the Bogan Road Pump Station. The existing Bogan Road Pump Station was upsized in 2003 and in 2008 to better serve this growing area. The North Pressure Zone is served by three high-service pumps at the Lanier Filter Plant. During 2006, these pumps were replaced with three 25 MGD pumps with an increased delivery gradient to better serve this area. The Rock Quarry Road Pump Station, with a 10 mg tank and a 20 MGD pump station, was completed in summer 2004. The water is delivered to the Central Pressure Zone from four high-service pumps at the Lanier Filter Plant through the County's transmission mains. The South Pressure Zone is a region with elevations lower than the rest of the county; water is delivered to the south area from the central area through a series of pressure-reducing valves which were upgraded in 2014.

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

**Customers of the Water System:** As of December 31, 2015, the water system had 228,579 retail customers. The water system provides treated water to both retail and wholesale customers within and around the county. The water system provides water at retail rates directly to customers residing in unincorporated areas of the county, as well as to many customers within incorporated areas. As municipalities within the county annex contiguous areas, water and sewer service remains with Gwinnett County, and the residents of the contiguous areas continue to purchase water at retail rates. Gwinnett County provides direct retail service to the residents of Berkeley Lake, Dacula, Duluth, Grayson, Lilburn, Norcross, Peachtree Corners, Snellville, and Sugar Hill. The water system also provides direct retail service to some of the residents of the cities of Buford, Lawrenceville, Loganville, and Suwanee. It serves some of the residents of Buford, Lawrenceville, and Suwanee on a wholesale basis. The City of Lawrenceville supplements its water system with wells. The City of Buford has its own intake in Lake Lanier and its own water treatment plant. The Gwinnett County water system also sells water on a wholesale basis to the City of Auburn in Barrow County, the Town of Braselton in Barrow County, the City of Loganville in both Gwinnett and Walton Counties, and the Walton County Water and Sewer Authority. The County purchased the City of Duluth's water system in December 1991, the City of Grayson's water system in May 1993, the City of Sugar Hill's water and sewer system in December 1995, the City of Dacula's water system in May 1996, and the City of Norcross' water system in 2013.

## Water Consumption 2006 – 2015

The following table shows the average daily consumption in MGD of water billed by the Water System during the years 2006 through 2015:

Year	Gwinnett County Consumption		Out-of-County Consumption	Total Average Daily Consumption
	Retail	Wholesale	Wholesale	
2006	73.13	2.62	1.32	77.07
2007	76.26	2.95	1.46	80.67
2008	62.38	2.72	0.94	66.04
2009	60.95	2.77	0.30	64.02
2010	63.39	2.77	0.08	66.24
2011	63.81	2.47	0.11	66.39
2012	60.34	2.38	0.22	62.94
2013	57.00	1.77	0.13	58.90
2014	57.45	1.79	0.19	59.43
2015	60.17	1.82	0.21	62.20

Non-revenue water is due to water system losses, fire flow, meter underreporting and other causes. In 2010, non-revenue water was approximately 11 percent of the volume of water produced. On June 1, 2010, the governor signed the *Georgia Water Stewardship Act of 2010* (SB 370). This act states that all water providers in the state of Georgia with a population “equal to or greater than 3,300” must implement a water loss control program and conduct an annual water system audit using American Water Works Association’s Free Water Audit Software. Non-revenue water was calculated at 8.5 percent for 2015. The Department of Water Resources continues with a task force that is working towards decreasing the monthly percentage of non-revenue water by focusing on all areas of possible water loss and finding methods to track and account for water not currently metered. These efforts include a) tracking water use through hydrants by County departments, contractors, and for County projects; b) testing and replacing large water meters; and c) reducing the overall pressures in certain areas of the county by creating new pressure zones in the higher pressure areas of the county.

The following tables show the 10 largest retail and wholesale customers of the water system during the 12 months ended December 31, 2015. Total Gwinnett County water usage during the 12 months ending December 31, 2015, was 22,700,753 thousands of gallons, generating \$158,032,237 in usage revenues (excluding late fees). No single retail customer accounted for more than 1.19 percent of total water system usage in 2015, and the 10 largest retail customers together accounted for 4.26 percent of such consumption. In addition to regular water revenues, we generated \$18,312,949 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 – 2015

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	269,632.2	0.73	\$ 1,482,334
Gwinnett County Government	226,084.1	0.62	1,213,667
Publix	130,006.8	0.36	630,533
Gwinnett County Jail	85,520.8	0.23	414,776
OFS Brightwave	62,023.4	0.17	300,814
Phillips State Prison	41,312.8	0.11	200,367
Cottonwood Bristol Pointe	40,441.0	0.11	196,139
Overlook at Berkeley Lake	40,266.9	0.11	195,500
The Falls at Gwinnett Place GA, LLC	36,315.6	0.10	175,181
The Forum on Peachtree Parkway	35,428.3	0.10	171,828
<b>TOTAL</b>	<b>967,031.9</b>	<b>2.64</b>	<b>\$ 4,981,139</b>



## Water Use: Wholesale Water Customers – 2015

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
City of Lawrenceville	638,990.7	1.75	\$ 3,072,576
City of Loganville	56,053.9	0.15	272,591
City of Buford	17,586.5	0.05	84,094
City of Braselton	3,256.9	0.01	15,798
Walton County Water	248.5	0.00	835
City of Auburn	99.7	0.00	484
City of Suwanee	31.8	0.00	154
<b>TOTAL</b>	<b>716,268.0</b>	<b>1.96</b>	<b>\$ 3,446,532</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 a special meeting on December 16, 2014. This resolution removed the previous rate increase in 2015. The Board of Commissioners has subsequently adopted rate increases effective every other year beginning on January 1, 2017 and going through 2021 (see schedules that follow). Water rates are fixed by the County and are subject to change, as the County deems advisable. Rates set by the County are not subject to approval by any outside agency.

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

## Retail Monthly Water Charges

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

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

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

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

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

## Fire Protection

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

## Connection Charge

Charges for connecting new services to the water system:

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

## Water System Development Charges

Water Meter Size	January 1, 2015 – 2021
¾"	\$ 1,128
1"	3,610
1½"	8,573
2"	15,679
3"	39,142
4"	62,830
6"	125,434
8"	200,671
10"	Varies*
12"	Varies*

\* Determined by the Department of Water Resources

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

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

From 1990 to 2000, the County paid \$9.74 per million gallons for water withdrawn. In April 2000, the U.S. Army Corps of Engineers increased this amount to \$18.80 per million gallons. In December 2000, customers of the Southeastern Power Administration, which receive the benefits of hydropower production from Corps of Engineers projects in the ACT and ACF basins, filed a lawsuit seeking an increase in the price charged to municipalities drawing domestic water supplies from Lake Lanier. Gwinnett County, with the Atlanta Regional Commission and others, joined in the mediation of this lawsuit. The settlement of this litigation, signed by the United States, the State of Georgia, and hydropower customers as well as the municipal water purveyors, would have restored the contractual relationship between Gwinnett County and the United States Corps of Engineers pending *National Environmental Policy Act* procedures. The new contracts would reserve unto Gwinnett County a portion of the conservation pool of Lake Lanier sufficient to yield an annual average supply of up to 152 MGD even during a severe drought. The annual cost of raw water would increase from approximately \$700,000 per year on an escalating and interminable schedule to approximately \$1,780,000 per year on a 30-year amortization schedule, after which payments for that volume of water cease. These increased payments would be retroactive to 2003, the date the settlement agreement was approved by the D.C. District Court. The interim water storage contract appended to the mediation agreement and which is convertible to a permanent storage contract has a 10-year term with an automatic 10-year renewal provision. This conversion to a permanent storage contract is contingent upon clarification of the legal authority granted to the U.S. Army Corps of Engineers by the Congress to enter into permanent contracts. This settlement agreement was appealed by Florida and Alabama to the Washington D.C. Circuit Court of Appeals. A three-judge panel of the D.C. Circuit Court determined on February 5, 2008, that the hydropower compensation settlement

agreement exceeded the Corps of Engineers' authority, thus overturning the decision by the D.C. District Court. As a consequence, Gwinnett County is relieved of the accumulated contingent liability of the difference in a) payments for actual raw water amounts used at \$18.80 per million gallons and b) the \$1,780,000 annual payment for storage since 2003. However, it is expected that when some agreement is reached with Alabama and Florida, the Corps of Engineers will have authority to contract with the county and will need to be compensated for the use of the storage in Lake Lanier to offset the use of the water to generate power.

The water system is required to have a permit from EPD to withdraw water from Lake Lanier. In 1997, the County received a revised withdrawal permit for 150 MGD during a maximum day. This rate of withdrawal coincided with the capacity of the expanded plant on which construction was completed in December 1997. The withdrawal permit was amended in 1999 to change the 150 MGD limit from "maximum day" to "average day for any month." This permit modification allowed the County to proceed with the new Shoal Creek Filter Plant construction to increase the water production capacity from 150 MGD to 225 MGD. Major construction of this plant was finished in 2004. The current withdrawal permit is sufficient to meet near-term demand projections. For example, the maximum monthly withdrawal rate was 112 MGD, 118 MGD, 110 MGD, 81 MGD, 87 MGD, 87 MGD, 91 MGD, 84 MGD, 71 MGD, 86 MGD and 89 MGD for the years 2005 – 2015, respectively. The County will continue to pursue increased withdrawals from Lake Lanier as demand increases.

On June 28, 1990, the State of Alabama filed a lawsuit in the *United States District Court for the Northern District of Alabama against the Corps of Engineers, State of Alabama v. the United States Army Corps of Engineers, et al.* In the lawsuit, the State of Alabama alleges that, among other things, the Corps of Engineers violated the *National Environmental Policy Act* in connection with the proposed reallocation of a portion of Lake Lanier's conservation storage to municipal and industrial water supply. The State of Florida joined the lawsuit, and on September 19, 1990, at the request of the State of Alabama and the Corps of Engineers, the District Court entered an order staying the proceedings so that the negotiations among the states may occur and a comprehensive study of the water resources of the Alabama-Coosa-Tallapoosa and the Apalachicola-Chattahoochee-Flint River basins could be performed. This study is known as the "ACT/ACF Basins Comprehensive Water Resources Study." The Corps of Engineers, along with the States of Georgia, Alabama, and Florida performed the study. The three states approved Basin Compacts in early 1997, essentially completing the Comprehensive Study. These Compacts were ratified by the U.S. Congress and signed by the President of the United States in December 1997. The three states and the federal government were in the process of developing a management system for water resources in the ACT/ACF basins and a formula for the allocation of ACT/ACF water and storage, as mandated by the Compacts. However, the ACF compact and interstate water allocation discussions between Georgia, Alabama, and Florida on the ACF basis ended on September 1, 2003.

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

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

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

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

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

On June 28, 2011, the Federal Eleventh Circuit Court of Appeals ruled on the appeal of Judge Magnuson's decision and reversed the decision and remanded to the District Court and the United States Corps of Engineers, saying the Corps of Engineers did not constitute a final agency action when it denied Georgia's 2000 water supply request. The court gave the Corps of Engineers one year to complete its analysis of its water supply authority and release its conclusions. While the County awaited the Corps of Engineers' determination, the County continued to pursue getting the Corps of Engineers to give credit for the volume of water returned to Lake Lanier and subtracts this amount from the water withdrawn for payment of the \$18.80 per million gallons withdrawn.

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

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

Georgia has filed its answer to Florida's complaint, The United States Supreme Court did decide to hear Florida's complaint and the case is in the discovery and deposition phase in the first half of 2016 under the direction of a Special Master. The Supreme Court could rule on the case as early as 2017.

## The Sewerage System

The sewage treatment facilities of the system (the "Sewerage System") are comprised of three Water Reclamation Facilities ("WRFs") that are wholly owned by the Water and Sewerage Authority. All of the sewerage system's WRFs provide advanced treatment under some of the most stringent environmental requirement in the state of Georgia.

A water resources laboratory providing chemical and microbiological analyses ensures the WRFs provide consistent reporting and monitoring to the regulators. Additional laboratory services include monitoring and enforcement of industrial pretreatment requirements, and ambient water quality monitoring of the streams and rivers within the county, as needed. Separate process control laboratories are also maintained at each WRF to monitor plant performance and provide data for process control decisions.

**Water Reclamation Facilities:** The Sewerage System's treatment facilities are the F. Wayne Hill Water Resources Center (WRC), the Yellow River WRF, and the Crooked Creek WRF. The following table shows the permitted capacity in MGD of each treatment facility and the approximate usage for each during 2015.

## Sewerage System Capacity and Usage in 2015

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

Wastewater Reclamation Facilities (WRFs)	Permit	ADMMF	AADF
F. Wayne Hill WRC	60.0	37.11	33.03
Crooked Creek WRF	16.0	8.04	7.51
Yellow River WRF	22.0	15.52	13.26
<b>TOTAL SYSTEM<sup>(1)</sup></b>	<b>98.0</b>	<b>60.67</b>	<b>53.80</b>

<sup>(1)</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 2008 through 2015, the violations reported were respectively zero, ten, four, two, zero, zero, one, 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 2008 through 2015 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 it also received the *National Clean Water Act Recognition Award* and the *Region IV National Clean Water Act Recognition Award* from the EPA.

As part of a 50-year Water and Wastewater Master Plan, the F. Wayne Hill WRC started operation in early 2001. In late 2005, construction was completed on an additional 40 MGD of treatment capacity at the F. Wayne Hill WRC. The additional capacity brings the total water reclamation capacity of the F. Wayne Hill WRC to 60 MGD. The facility is part of a comprehensive plan to protect and conserve the County's limited water supply. The F. Wayne Hill WRC meets one of the strictest overall treatment requirements in the Southeast, producing high-quality reclaimed water that is clean enough to discharge to a drinking water supply source. The F. Wayne Hill WRC is permitted to discharge up to 40 MGD into Lake Sidney Lanier and 20 MGD into the Chattahoochee River. The F. Wayne Hill WRC began discharging to Lake Lanier after the completion of the pipeline to the Lake in 2010. The F. Wayne Hill WRC discharged 9,371 mg of reclaimed water in 2011, 8,426 mg in 2012, 9,640 mg in 2013, 10,659 mg in 2014, and 12,056 mg in 2015 to Lake Lanier.

In early 2007, construction began at the Yellow River WRF in order to consolidate wastewater flows from several smaller, aging wastewater treatment facilities in the Yellow River basin and treat that flow at one facility capable of producing an effluent that meets current Environmental Protection Division standards. The County chose to consolidate operations in the Yellow River basin to the single Yellow River site rather than upgrade and rehabilitate each of the smaller individual sites as a way to reduce the overall cost to our ratepayers and stakeholders. The result of consolidating operations into a single site resulted in reduced capital costs for construction as well as reduced long-term operating costs. This savings is possible through economies of scale achieved by building and operating a single large facility. The Yellow River WRF reconstruction went into operation in June 2011, at which time the permitted capacity increased from 13.5 to 22.0 MGD.

The Crooked Creek WRF improvement project started in 2009 to improve efficiency and provide reliable treatment capacity. Improvements completed in 2011 include a new influent pump station with in-line grinders and a new headworks with band screens and vortex grit removal. A new administration and maintenance building and new effluent filters were completed in 2014.

In August 2011, Gwinnett County completed the Gas-to-Energy and Fats, Oils, and Grease/High-Strength Waste Receiving Facilities at F. Wayne Hill Water Resources Center at a cost of \$5 million and \$3.5 million, respectively, funded through the *American Reinvestment and Recovery Act*. Gwinnett County has realized a savings of more than \$1,000 per day since the start of the generator engine in August 2011. Both projects received an Achievement Award from the National Association of Counties.



**Collection System:** Gwinnett County has approximately 3,001 miles of gravity and force main sewers ranging in size from eight inches to 72 inches in diameter, and approximately 220 active pump stations. These gravity sewers and pump stations collect and transmit the wastewater flow from the water customers who are served by the sewer system to the WRFs. Sewer service is provided in the central, western, and north central portions of the county. The Lower Apalachee and Lower Alcovy basins are only minimally served by sewers at this time. The 2030 Water and Wastewater Master Plan identified infrastructure improvement needs through the 2030 planning period and beyond based on flow projections. The County experiences sanitary sewer overflows, mainly due to root intrusion and grease accumulation in the sewer system. The County has a grease control and root control program to address these issues. The reportable overflows for 2009 to 2015 were 31, 30, 22, 23, 14, 25, and 24, respectively.

Interbasin connection by pumped flows allows management to direct flow to the treatment facility that is best able to handle the flows. In basins where treatment facilities are located down gradient of other treatment facilities, the up-gradient facilities have diversion gravity lines that allow flows to be diverted for downstream treatment when needed. All pump stations have remote telemetry capability, which reports power outages, high water level alarms, and other problems to a central control center that is manned continuously. Critical pump stations that could overflow into waters with the potential for human contact have backup telemetry as well. The telemetry system is monitored by a computer that periodically queries the current status of the stations and verifies the pump stations' ability to call in alarms.

All pump stations are visited and checked by maintenance personnel, and preventive maintenance is performed on a scheduled frequency. Alarms are investigated and needed repairs are promptly accomplished. Right-of-ways and easements are maintained for access to all sewer system gravity lines and pump stations. All large, and all but one small, pump stations have dual electrical feed or standby generators for emergency use. The County owns portable generators that can be transported to small pump stations in power outage situations.

A state-approved industrial pretreatment program is in place. This program protects the treatment facilities from discharges to the sewers of materials that could upset or harm the biological treatment processes at the treatment plants. In addition, this program protects the sewer collection system from discharges of materials that could damage the gravity lines and/or the pump stations.

**Customers of the Sewerage System:** As of December 31, 2015, the Sewerage System had 160,862 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 2015. Total Gwinnett County sewer usage during 2015 was 14,982,497/thousands of gallons, generating \$140,556,086 in usage revenues (excluding late fees). No single retail user accounted for more than 1.39 percent of total Sewerage System consumption in 2015, and the 10 largest users together accounted for 4.97 percent of such consumption. In addition to retail customers, the County also provided service to two municipal customers on a wholesale basis: DeKalb County and the City of Lawrenceville. DeKalb County produced 0.39 MGD of wastewater in 2015 and was billed \$1,007,479. The City of Lawrenceville produced 1.63 MGD of wastewater in 2015 and was billed \$4,403,427. These two wholesale customers accounted for 2.49 percent of the total Sewerage System consumption.

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

## 10 Largest Retail Sewerage Users – 2015

Customer	Thousands of Gallons-Per-Year	MGD	Total Revenues Received
Gwinnett County Board of Education	207,840.4	0.59	\$ 1,587,151
Gwinnett County Government	148,371.2	0.43	1,186,437
Publix	84,842.0	0.23	780,395
Gwinnett County Jail	74,088.6	0.20	579,373
Phillips State Prison	41,312.8	0.11	323,066
Cottonwood Bristol Pointe	40,441.0	0.11	316,249
Overlook at Berkeley Lake	40,228.0	0.11	314,556
The Falls at Gwinnett Place	36,315.6	0.09	303,305
The Forum at Peachtree Corners	35,428.3	0.09	277,050
Euramex Management Group	35,368.1	0.09	276,579
<b>TOTAL</b>	<b>744,236.0</b>	<b>2.05</b>	<b>\$ 4,357,010</b>

**Current Sewerage Rates:** The schedule presented below shows sanitary sewer rates. The Gwinnett County Board of Commissioners adopted the following rates at a special meeting on December 16, 2014. This resolution has removed the previous rate increase in 2015. The Board of Commissioners has subsequently adopted rate increases effective every other year beginning on January 1, 2017 and going through 2021 (see schedules that follow). The sewer rates are subject to change by the County, as it deems advisable. Rates set by the County are not subject to the approval of any outside agency.

### Volume Sewer Charge

The following volumetric sewer charge shall apply to all water consumed.

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

*Note: In addition to the water base fee, all retail sewer accounts pay a base sewer fee of \$5.00 per billing period, with the exception of multi-family housing on a master meter. The base fee is separate from the volume charge for either water or sewer usage. Where one meter serves more than one unit, the monthly meter fee is \$10.00 per unit per billing period. Base fee are effective until modified by the Board of Commissioners.*



## Industrial Surcharge

As computed for specific conditions of discharge:

## Sewer System Development Charge

Water Meter Size	January 1, 2015 – 2021
¾"	\$ 4,147
1"	13,270
1½"	31,517
2"	57,643
3"	143,901
4"	230,988
6"	461,146
8"	737,751
10"	Varies*
12"	Varies*

\* System development charges for meters larger than 8" will be determined by the Department of Water Resources to reflect anticipated average daily wastewater flows; insufficient data are available to develop equivalent flow factor for these large meters.

## Annual Financial Information

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statement for each bond issue. The table on the following page provides a summary of combined operating results:

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

(in thousands of dollars)

	2015	2014	2013	2012	2011
<b>Operating Revenues:</b>					
Residential and commercial service	\$ 293,549	\$ 288,199	\$ 263,997	\$ 259,042	\$ 248,280
Wholesale service	4,532	4,287	4,333	5,347	6,445
Public fire protection charges to other funds	683	677	670	665	652
Connection charges	1,431	1,209	1,110	650	373
Miscellaneous	5,779	4,635	7,124	5,585	4,476
Total operating revenues	305,974	299,007	277,234	271,289	260,226
<b>Operating Expenses:</b>					
Water production	13,474	14,564	17,492	14,516	15,860
Distribution and collection	30,442	31,090	28,537	28,011	29,261
Engineering	4,547	4,465	4,633	4,771	4,823
Reclamation	35,986	31,826	30,465	30,755	28,199
Depreciation and amortization	78,968	77,632	81,583	66,784	69,387
General and administrative	21,579	26,692	30,404	31,521	28,185
Total operating expenses	184,996	186,269	193,114	176,358	175,715
Operating income	120,978	112,738	84,120	94,931	84,511
<b>Non-operating Revenues (Expenses):</b>					
Intergovernmental	–	–	–	586	1,667
Investment earnings	1,426	868	355	556	542
Interest expense	(34,569)	(38,402)	(40,770)	(42,843)	(31,530)
Loss on disposal of fixed assets	(17,667)	(1,902)	(26,582)	(21,576)	(4,385)
Income before operating transfers and contributions	70,168	73,302	17,123	31,654	50,805
Capital contributions	43,978	29,051	21,471	13,449	15,416
Transfers in	130	–	–	–	–
Transfers out	(165)	(165)	(165)	(165)	(90)
Increase in net position	114,111	102,188	38,429	44,938	66,131
Net position, January 1, as restated*	2,490,357	2,399,833	2,361,404	2,316,466	2,255,937
Net position, December 31	\$ 2,604,468	\$ 2,502,021	\$ 2,399,833	\$ 2,361,404	\$ 2,322,068

\*2011 net position was restated due to the implementation of GASB statement No. 65. 2015 net position was restated due to the implementation of GASB statement No. 68.

## Security for the Bonds

### General

The Series 2005, 2006, 2008, 2009A, 2009B, 2011, and 2015 Bonds are limited, special obligations of the Authority. The County and the Authority have entered into a Lease Agreement (the "Lease") dated November 1, 1985, and subsequently amended by the Amended and Restated Lease Contract in 1997 and supplemented by the Supplemental Lease Contract (the "Supplemental Lease") dated as of October 1, 2004, by which the Authority leased to the County all of its water and sewer facilities (collectively referred to as the "System"). Facilities acquired after November 1, 1985, are part of the System. The Lease is in effect until all revenue bonds are paid in full, but no later than October 1, 2054. The County manages and operates the System under the terms of the Lease and pledges the County's full faith and credit and taxing power as security for the revenue bonds issued by the Authority.

All bonds issued after execution of the Supplemental Lease are expressly junior and subordinates to the pledge of the net revenues with respect to bonds issued prior to that date. Lease payments equal to the debt service of all first and second lien bonds are to be paid directly by the County, on behalf of the Authority, into the Sinking Fund. The revenues of the Authority representing the lease payments from the County, as provided in the lease, have been pledged to the payment of the principal and interest on the Series 2002, 2003, 2005, 2006, 2008, 2009, 2011, and 2015 Bonds and any additional bonds or obligations issued therewith.

The Water and Sewerage Authority issued \$121,375,000 in refunding bonds ("2006 Refunding Bonds") on March 9, 2006. The 2006 Refunding Bonds were issued to: 1) refund the 2002 Bonds in part and 2) pay costs related to the issuance of the Bonds. The 2006 Refunding Bonds were issued at a true interest cost of 4.3846 percent and resulted in net present value savings of \$4.9 million, or 4.176 percent of the refunded par amount.

The Water and Sewerage Authority issued \$235,575,000 in revenue bonds (2009A Revenue Bonds) and \$23,955,000 in economic development Recovery Zone Bonds (2009B Recovery Zone Bonds) on October 22, 2009. The 2009 Bonds were issued to: 1) finance, in whole or in part, the costs of certain improvements and extensions to the water and sewerage system owned by the Authority, 2) refund all of the Series 2004 Bonds, and 3) pay the costs of issuing the Series 2009 Bonds. The 2009A Revenue Bonds were issued at a true interest cost of 3.3471 percent, and the 2009B Recovery Zone Bonds were issued at a true interest cost of 3.0228 percent.

The Water and Sewerage Authority issued \$163,615,000 in refunding bonds ("2011 Refunding Bonds") on July 1, 2011. The 2011 Refunding Bonds were issued to: 1) refund the 2003B Bonds and 2) pay costs related to the issuance of the Bonds. The 2011 Refunding Bonds were issued at a true interest cost of 2.918 percent and resulted in net present value savings of \$9.4 million, or 5.5 percent of the refunded par amount.

In September and October 2014, the Gwinnett Water and Sewerage Authority and the Gwinnett Board of Commissioners approved resolutions allowing the Authority to move forward with refunding the callable maturities of the 2005 Water and Sewerage Revenue Bonds on a forward/delayed delivery basis. On August 3, 2015, the Water and Sewerage Authority issued \$127,215,000 in Refunding Bonds ("2015 Refunding Bonds"). The 2015 Refunding Bonds were issued at a true interest cost of 1.74 percent and resulted in a total debt service savings of \$9.8 million and a net present value savings of \$9.2 million, or 7.3 percent of the refunded par amount. The debt service savings will begin in 2016.

### Revenue Fund and Lease Payments

All revenue derived from ownership and operation of the System or from properties in connection therewith shall be collected by the County and deposited promptly into the Revenue Fund created pursuant to the Lease. The County shall first pay from the Revenue Fund the reasonable and necessary costs of operating and maintaining the System in accordance with sound business practices, but before making provisions for depreciation, interest expense, and amortization. The net revenues remaining in the Revenue Fund after the payment of such operating expenses, as provided in the Lease and the Supplemental Lease, are pledged to the payment of interest and principal of outstanding first and second lien debt. Net revenues remaining after the payment of debt service are paid to the Renewal and Extension Fund for the funding of capital projects.

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

With respect to second lien bonds issued as variable rate obligations, the debt service requirement is computed at a rate equal to the sum of (a) the lesser of: (i) the average interest rate on such variable rate bonds for the 12 consecutive months preceding the date of calculation, and (ii) the average of the BMA Index for the 12 consecutive months preceding the date of calculation; and (b) any fees associated with any liquidity facility or remarketing agreement related to such bonds.

## **Additional Bonds**

As stated in the Supplemental Lease, the Authority will not issue additional bonds under the first lien debt after October 1, 2004. However, the Supplemental Lease does not restrict the issuance of additional second lien bonds. The following conditions must be met before the issuance of additional bonds:

- (a) None of the outstanding first and second lien bonds are in default as to payment of principal and interest; the Authority remains in compliance with the Lease as supplemented and amended; the County is in compliance with the Lease and has consented in writing to the issuance of such additional bonds.
- (b) All of the payments to the Sinking Fund for both first and second lien bonds are currently being made in full as required.
- (c) A firm of independent certified public accountants shall have certified that based on net revenues for a period of 12 full consecutive calendar months out of 18 consecutive calendar months preceding the month of adoption of the proceedings for the issuance of such additional bonds, the debt service coverage ratio for each full Sinking Fund year subsequent to issuance of the proposed additional bonds shall not be less than 1.10.
- (d) If such proposed additional bonds are issued to finance a capital project, the Authority shall have received a report of the Consulting Engineers setting forth the description of the project and projected future debt service coverage ratios.
- (e) All procedures relating to authorization of additional bonds and subsequent validation proceedings are followed.



## Annual Debt Service Requirements

Debt service requirements on the Water and Sewerage Authority Revenue Bonds, Series 2006, 2008, 2009, 2011, and 2015, are as follows:

Bond Year Ending December 31	Second Lien				
	Debt Service Requirements 2006	Debt Service Requirements 2008	Debt Service Requirements 2009*	Debt Service Requirements 2011	Debt Service Requirements 2015
2016	7,704,181	17,128,882	19,088,035	18,364,950	33,091,244
2017	7,585,394	17,128,483	19,090,035	18,368,950	33,121,055
2018	7,468,594	17,128,983	19,089,635	18,366,500	33,133,912
2019	13,501,994	17,129,733	19,086,235	18,368,750	8,632,025
2020	13,532,256	17,129,483	19,089,235	18,365,950	8,596,781
2021 – 2025	97,802,393	85,650,889	95,440,713	91,834,200	17,085,348
2026 – 2029	–	51,391,526	79,602,190	–	–
<b>Total</b>	<b>147,594,812</b>	<b>222,687,979</b>	<b>270,486,078</b>	<b>183,669,300</b>	<b>133,660,365</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).



## Other Information

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

# ABOUT THE COVER



## Fire and Emergency Services – Community Risk Reduction

Through aggressive public education initiatives, Gwinnett County Department of Fire and Emergency Services implemented an award-winning home safety survey and smoke alarm program. Since the program's inception, 1,947 home surveys have been conducted with 6,674 smoke alarms installed in at-risk homes. The success of the program is due to the unwavering commitment to public safety from County leaders, fire officials, and community partners. Citizen volunteers, professional firefighters, and fire safety educators work in unison to make the home environment safe for all county residents. The department's home safety survey and smoke alarm program is featured in a national fire service Vision 20/20 promotional campaign and is considered a model for agencies throughout the country. The Department of Fire and Emergency Services makes continuous strides in identifying fire and life safety issues within the community and initiating programs to change behaviors that contribute to unsafe home and work environments.



**Prepared by:** Department of Financial Services

**Editing, Layout and Design, and Photographs:** Communications Division

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**Questions about this document?**

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