

**LEGAL DEBT MARGIN
GENERAL OBLIGATION DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Article 9, Section 5, Paragraph I of the Georgia Constitution establishes the maximum debt limits for counties and other political subdivisions of the State. Under the Constitution, certain types of debt issued by a political subdivision, including counties, cannot exceed an amount which is equal to 10 percent (10%) of the assessed value of all taxable property located within that particular entity.

As indicated by the calculation in the table below, the legal debt margin of Fayette County at the beginning of the 2010 fiscal year is \$574,765,323. This is based on the latest tax digest (2009 calendar year).

The legal debt margin amount is important in that it represents the net amount of external financing resources that is available to the County through the issuance of general obligation (G.O.) bonds. G.O. bonds are debt instruments issued in the name of the government and whose repayment is guaranteed through a pledge of the full faith and credit of the issuer. In layman's terms, when the majority of voters in a county approve a general obligation bond referendum, they are guaranteeing the purchaser of that bond that they will pay property taxes in an amount that is sufficient to redeem the bond upon maturity and pay the interest earned on the outstanding bonds.

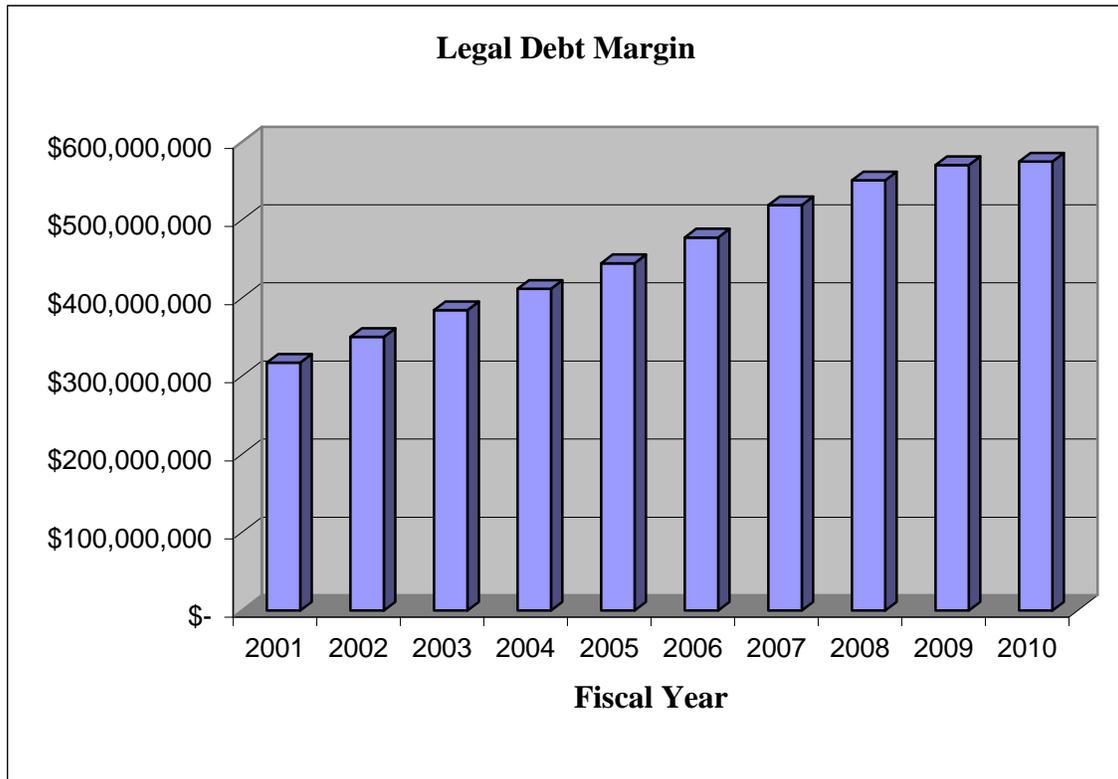
<u>TAX YEAR</u>	<u>ASSESSED VALUE</u>	<u>APPLICABLE PERCENTAGE</u>	<u>DEBT LIMIT</u>	<u>CURRENT G.O. DEBT</u>	<u>LEGAL DEBT MARGIN</u>
2009	\$5,747,653,235	10.00%	\$574,765,323	\$0	\$574,765,323

The legal debt margin is calculated at any point in time by deducting the amount of the current outstanding G.O. debt from the statutory debt limit. The reason for performing this calculation is to determine the maximum amount of new debt that could be legally issued should the need arise. This means that Fayette County has no outstanding general obligation bond indebtedness and has the entire 100% percent of its legal debt capacity available. With the annual budgeted appropriations in the General Fund being approximately \$46.5 million for FY 2010, there would appear to be more than sufficient debt capacity available to the County.

Fayette County and its component units also issue revenue bonds. As provided by law, the issuance of revenue bonds does not count against the legal debt margin.

**STATEMENT OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Assessed Property Values</u>	<u>Percentage</u>	<u>Debt Service Monies Debt Limit</u>	<u>Net Bonded Debt</u>	<u>Legal Debt Margin</u>
2001	\$ 3,172,197,561	10.00%	\$ 317,219,756	-	\$ 317,219,756
2002	\$ 3,503,049,483	10.00%	\$ 350,304,948	-	\$ 350,304,948
2003	\$ 3,844,204,427	10.00%	\$ 384,420,443	-	\$ 384,420,443
2004	\$ 4,118,425,304	10.00%	\$ 411,842,530	-	\$ 411,842,530
2005	\$ 4,446,670,984	10.00%	\$ 444,667,098	-	\$ 444,667,098
2006	\$ 4,776,347,705	10.00%	\$ 477,634,771	-	\$ 477,634,771
2007	\$ 5,188,941,242	10.00%	\$ 518,894,124	-	\$ 518,894,124
2008	\$ 5,506,961,516	10.00%	\$ 550,696,152	-	\$ 550,696,152
2009	\$ 5,703,535,572	10.00%	\$ 570,353,557	-	\$ 570,353,557
2010	\$ 5,747,653,235	10.00%	\$ 574,765,324	-	\$ 574,765,324



**SCHEDULE OF DEBT
AS OF JUNE 30, 2009**

General Obligation Bonds - Periodically, the County issues general obligation bonds to provide funds for the acquisition and construction of major general government capital facilities. General obligation (G.O.) bonds are direct obligations and thus represent a pledge of the full faith and credit of the government. Fayette County currently has no general obligation bonds outstanding.

Revenue Bonds - The County and its component units also issue bonds where the issuer pledges income derived from the acquired or constructed assets to pay debt service.

Fayette County Public Facilities Authority (a blended component unit) - In June of 2000, the Public Facilities Authority (PFA) issued \$55.25 million of Series 2000 Revenue Bonds to construct a new Criminal Justice Center. In September of 2001, \$50.44 million of Series 2001 Refunding Revenue Bonds were issued for the purpose of providing funds to pay or to be applied toward the cost of refunding by redemption and payment the Series 2000 bonds maturing on and after June 1, 2011. Concurrently, Fayette County entered into an intergovernmental agreement with the Public Facilities Authority to lease purchase the facility. This contractual arrangement calls for the County's semi-annual lease payments to be in an amount equal to the debt service payments on the revenue bonds. For financial reporting purposes, the Public Facilities Authority is considered to be a component unit of Fayette County and thus the debt is properly reported as being attributable to Fayette County government.

The Fayette County Public Facilities Authority currently outstanding revenue bonds can be described as follows:

\$1,185,000 outstanding - **Series 2000, Criminal Justice Center Revenue Bonds**, due in annual installments of \$1,015,000 to \$1,185,000 through June 1, 2010; and an interest from 5.0% to 5.5%,

\$48,225,000 outstanding - **Series 2001, Criminal Justice Center Revenue Bonds**, due in annual installments of \$205,000 to \$3,660,000 through June 1, 2030; and interest from 3.0% to 5.0%.

At June 30, 2009, the Fayette County Public Facilities Authority was obligated to make combined payments of principal and interest on its outstanding revenue debt as follows:

Fiscal Year	Principal	Interest	Debt Service
2010	1,415,000	2,428,583	3,843,583
2011	1,490,000	2,353,978	3,843,978
2012	1,550,000	2,291,398	3,841,398
2013-2018	10,900,000	12,146,850	23,046,850
2019-2024	14,545,000	8,501,750	23,046,750
2025-2030	19,510,000	3,552,500	23,062,500
Totals	\$ 49,410,000	\$ 31,275,059	\$ 80,685,059

Fayette County Water System Enterprise Fund – The Water System issued revenue bonds for the construction of capital assets. The revenue bonds which are currently outstanding are the following:

\$2,900,000 outstanding – **Series 1996A**, due in annual installments of \$25,000 to \$920,000 through October 1, 2020; and an interest from 3.6% to 5.5%,

\$14,735,000 outstanding – **Series 1998**, due in annual installments of \$130,000 to \$3,325,000 through October 1, 2028; and an interest from 3.7% to 5.0%,

\$20,125,000 outstanding – **Series 2002**, due in installments of \$50,000 to \$2,250,000 through October 1, 2032; and an interest from 3.25% to 5.125%

At June 30, 2009, the Fayette County Water System Enterprise Fund was obligated to make combined payments of principal and interest on its outstanding revenue debt as follows:

Fiscal Year	Principal	Interest	Debt Service
2010	1,810,000	1,831,114	3,641,114
2011	1,890,000	1,744,949	3,634,949
2012	1,980,000	1,652,639	3,632,639
2013-2019	16,815,000	8,515,536	25,330,536
2020-2026	13,235,000	2,206,069	15,441,069
2027-2033	2,030,000	383,722	2,413,722
Totals	\$ 37,760,000	\$ 16,334,028	\$ 54,094,028

Georgia Environmental Facilities Authority (GEFA) - The Georgia Environmental Facilities Authority is a state agency which offers low interest financing to other political subdivisions of the State of Georgia for their water and sewer capital needs.

The Water System Enterprise Fund has seven GEFA loans outstanding used for various water system construction projects:

\$278,084 represents the principal balance remaining on the original loan amount of \$797,000 for the construction of **Phase 1 of the Water Line Looping Project**. This August 1994 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of \$15,109 beginning November 1, 1994. The interest rate is 4.8% over the life of the loan. The current principal portion of the loan is \$47,943. The debt is serviced through the Water System Enterprise Fund.

\$479,712 represents the principal balance remaining on the original loan amount of \$1,434,000 for the construction of **Phase 2 of the Water Line Looping Project**. This February 1995 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of \$26,948 beginning March 1, 1996. The interest rate is 5.12% over the life of the loan. The current principal portion of the loan is \$84,842. The debt is serviced through the Water System Enterprise Fund.

\$949,247 represents the principal balance remaining on the original loan amount of \$2,087,000 for the construction of **Phase 3 of the Water Line Looping Project**. \$321,290 of the original loan amount was not needed for the project and was returned to the Georgia Loan Fund. This September 1996 loan was made by GEFA for a period of twenty years and is payable in

quarterly installments of \$35,515 beginning November 1, 1997. The interest rate is 5.16% over the life of the loan. The current principal portion of the loan is \$94,897. The debt is serviced through the Water System Enterprise Fund.

\$1,271,911 represents the principal balance remaining on the original loan amount of \$2,000,000 for the construction of **Phase 4 of the Water Line Looping Project**. This September 1999 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of \$40,027 beginning November 1, 1999. The interest rate is 5.1% over the life of the loan. The current principal portion of the loan is \$97,077. The debt is serviced through the Water System Enterprise Fund.

\$520,891 represents the principal balance remaining on the original loan amount of \$1,450,000 for the construction of **Phase 5 of the Water Line Looping Project**. \$209,766 of the original loan amount was not needed for the project and was returned to the Georgia Loan Fund. This May 1995 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of \$21,978 beginning October 1, 1996. The interest rate is 5.6% over the life of the loan. The current principal portion of the loan is \$59,986. The debt is serviced through the Water System Enterprise Fund.

\$1,505,762 represents the principal balance remaining on the original loan amount of \$2,000,000 for the construction of **South Fayette Water Treatment Plant**. This December 2000 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of \$41,037 beginning May 1, 2002. The interest rate is 5.4% over the life of the loan. The current principal portion of the loan is \$84,530. The debt is serviced through the Water System Enterprise Fund.

\$1,643,144 represents the principal balance remaining on the original loan amount of \$2,000,000 for the construction of a 2 million gallon **elevated water tank at Highway 85/Ellis Road**. This May 2003 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of \$38,997 beginning May 1, 2004. The interest rate is 4.79% over the life of the loan. The current principal portion of the loan is \$78,680. The debt is serviced through the Water System Enterprise Fund.

At June 30, 2009, the Water System Enterprise Fund was obligated to make payments of principal and interest on its outstanding Georgia Environmental Facilities Authority (GEFA) loans as follows:

Fiscal Year	Principal	Interest	Debt Service
2010	547,955	330,489	878,444
2011	576,690	301,754	878,444
2012	606,936	271,508	878,444
2013-2016	2,436,661	769,699	3,206,360
2017-2020	1,675,632	324,319	1,999,951
2021-2024	804,877	67,336	872,213
Totals	\$ 6,648,751	\$ 2,065,105	\$ 8,713,856

SALARY RANGES FOR CLASSIFIED POSITIONS
Effective July 1, 2009

Grade	Position	Minimum Salary		Maximum Salary	
		Annual	Hourly	Annual	Hourly
805	Library Page	\$ 23,794	\$ 11.44	\$ 36,205	\$ 17.41
806	Custodian	\$ 24,998	\$ 12.02	\$ 38,038	\$ 18.29
807	Receptionist	\$ 26,264	\$ 12.63	\$ 39,964	\$ 19.21
808	Custodial Crewleader Grounds Maintenance Worker Road Maintenance Worker	\$ 27,593	\$ 13.27	\$ 41,987	\$ 20.19
809	Administrative Clerk Appraiser Aide Deputy Clerk I Elections Clerk Library Assistant I P 4-H PA Property Tax Clerk PT Adoption Counselor PT Appraiser Aide PT Deputy Clerk I PT Elections Clerk PT Environmental/Horticulture PT Library Assistant PT Tag Clerk Records Clerk Senior Groundskeeper Tag Clerk Water Meter Reader	\$ 28,990	\$ 13.94	\$ 44,112	\$ 21.21
810	Administrative Secretary Animal Control Officer Appraisal Technician Billing Representative Customer Service Representative Deputy Clerk II Equipment Operator I Finance Clerk Human Resources Technician Landfill Operator Library Assistant II PT Administrative Secretary PT Animal Control Officer Risk Management Clerk Senior Tag Clerk Sign Technician Warrant Clerk Water Distribution Maintenance Worker Wetlands Caretaker	\$ 30,458	\$ 14.64	\$ 46,346	\$ 22.28

SALARY RANGES FOR CLASSIFIED POSITIONS
Effective July 1, 2009

Grade	Position	Minimum Salary		Maximum Salary	
		Annual	Hourly	Annual	Hourly
811	Communications Officer Lead Tag Clerk PT Communications Officer Senior Animal Control Officer Senior Water Meter Reader Water Plant Maintenance Worker	\$ 32,000	\$ 15.38	\$ 48,692	\$ 23.41
812	Accounting Technician Administrative Assistant Building Maintenance Technician Control Terminal Operator Delinquent Tax Officer Deputy Clerk III Detention Officer Elections Officer EMS Technician Equipment Operator II Field Service Representative Fuel Lube/Mechanic Grounds Crew Leader Housekeeping Supervisor Irrigation Technician Maintenance Technician Mechanic Permit Technician PT Control Terminal Operator PT Maintenance Technician Senior Billing Representative Senior Customer Service Representative Small Engine Mechanic Utility Locator Water Treatment Plant Operator III Zoning Technician	\$ 33,620	\$ 16.16	\$ 51,157	\$ 24.59
813	Senior Accounting Technician Constable Corporal - Non-Certified Equipment Operator III Lab Analyst Personal Property Appraiser I Real Property Appraiser I Senior Communications Officer Water Meter Reading Supervisor Water Treatment Plant Operator II	\$ 35,322	\$ 16.98	\$ 53,747	\$ 25.84
814	Administrative Specialist Building Maintenance Engineer	\$ 37,110	\$ 17.84	\$ 56,468	\$ 27.15

SALARY RANGES FOR CLASSIFIED POSITIONS
Effective July 1, 2009

Grade	Position	Minimum Salary		Maximum Salary	
		Annual	Hourly	Annual	Hourly
	Buyer	\$ 37,110	\$ 17.84	\$ 56,468	\$ 27.15
	Crew Leader I				
	Deputy County Clerk				
	Deputy Marshal				
	Deputy Sheriff				
	Engineering Technician				
	Fire Administrative Coordinator				
	Firefighter/EMT				
	Judicial Administrative Specialist				
	Office Manager - Permits/Inspections				
	Real Property Appraiser II				
	Senior Deputy Clerk				
	Terminal Agency Coordinator				
	Victim Advocate				
	Water Treatment Plant Operator I				
815	Appraisal GIS Technician	\$ 38,989	\$ 18.74	\$ 59,326	\$ 28.52
	Compliance Officer				
	Crew Leader II				
	Environmental Technician				
	Fire Apparatus Operator/EMT				
	Information Systems Technician				
	Real Property Appraiser III				
	Senior Water Treatment Plant Operator				
	Water Distribution Crew Leader				
816	Animal Control Supervisor	\$ 40,963	\$ 19.69	\$ 62,330	\$ 29.97
	Athletic Coordinator				
	Building Inspector I				
	Building Maintenance Supervisor				
	Communications Shift Supervisor				
	Construction Inspector				
	Contract Administrator				
	Corporal				
	Customer Service Supervisor				
	Deputy Marshal - Investigator				
	Executive Assistant				
	Firefighter/Paramedic				
	Grounds Maintenance Supervisor				
	Investigator				
	Investigator - Solicitor General				
	Library Associate				
	Payroll Specialist				
	Program Coordinator				
	Property Tax Supervisor				
	Senior Environmental Technician				
	Shop Supervisor				

SALARY RANGES FOR CLASSIFIED POSITIONS
Effective July 1, 2009

Grade	Position	Minimum Salary		Maximum Salary	
		Annual	Hourly	Annual	Hourly
	Tag Agent Supervisor	\$ 40,963	\$ 19.69	\$ 62,330	\$ 29.97
	Warrant Specialist				
	Water Billing Operations Supervisor				
817	Accounting Analyst	\$ 43,036	\$ 20.69	\$ 65,485	\$ 31.48
	Assistant Water Treatment Plant Manager				
	Building Inspector II				
	Business Systems Administrator				
	CAD Manager				
	Communications Training Officer				
	Financial Analyst				
	Network Administrator				
	Therapeutic Program Coordinator				
818	Assistant Building and Grounds Director	\$ 45,215	\$ 21.74	\$ 68,800	\$ 33.08
	Building Inspector III				
	Deputy Marshal - Sergeant				
	Human Resources Manager - Sheriff				
	Laboratory Manager				
	Personal Property Lead Appraiser				
	Public Services Librarian				
	Residential Lead Appraiser				
	Sergeant				
	Staff Sergeant - Logistics				
819	Accounting Supervisor	\$ 47,504	\$ 22.84	\$ 72,283	\$ 34.75
	Administrative Manager				
	Assistant Parks and Recreation Director				
	Benefits Administrator				
	Chief Deputy Clerk				
	Clerk of Juvenile Court				
	Clerk of Probate Court				
	Elections Supervisor				
	Fleet Maintenance Superintendent				
	Human Resources Analyst				
	Plans Examiner				
	Road Superintendent				
	Senior Building Inspector				
	Systems Analyst				
	Zoning Coordinator				
820	Assistant Communications Director	\$ 49,909	\$ 23.99	\$ 75,943	\$ 36.51
	Budget Officer				
	Deputy Marshal - Lieutenant				
	Emergency Management Specialist/Lieutenant				
	Fire Inspector/Investigator/Lieutenant				
	Fire Lieutenant				
	Fire Lieutenant - Training				

SALARY RANGES FOR CLASSIFIED POSITIONS
Effective July 1, 2009

Grade	Position	Minimum Salary		Maximum Salary	
		Annual	Hourly	Annual	Hourly
	Lieutenant	\$ 49,909	\$ 23.99	\$ 75,943	\$ 36.51
821	Animal Control Director	\$ 55,090	\$ 26.49	\$ 83,826	\$ 40.30
	Assistant Information Services Manager				
	Assistant Permits and Inspection Director				
	Assistant Solicitor General				
	Chief Deputy Clerk				
	Chief Pilot				
	Deputy Chief Appraiser				
	Deputy Director of Administration				
	Deputy Tax Commissioner				
	Executive Assistant to the Board of Commissioners				
	Risk Manager				
	Staff Attorney				
	Water Distribution Manager				
	Water Treatment Plant Manager				
	Zoning Administrator				
822	Building and Grounds Director	\$ 60,809	\$ 29.24	\$ 92,529	\$ 44.48
	Captain				
	Chief Deputy Marshal				
	Communications Director				
	Courts Administrator				
	Development Engineer				
	Emergency Management Coordinator/Captain				
	EMS Captain - Training				
	Environmental Engineer				
	Fire Captain				
	Fire Captain - Training				
	Fire Marshal				
	Transportation Engineer				
823	Assistant Chief Financial Officer/Controller	\$ 67,122	\$ 32.27	\$ 102,134	\$ 49.10
	Assistant Human Resources Director				
	Assistant Planning Director				
	Assistant Public Works Director				
	Assistant Water System Director				
	Battalion Commander				
	Information Services Manager				
	Major				
	Major - Director of Technical Services				
	Parks and Recreation Director				
	Permits and Inspection Director				
	Purchasing Director				
824	Chief Appraiser	\$ 74,090	\$ 35.62	\$ 112,737	\$ 54.20
	Deputy Director Emergency Services				
	Fire Chief				

SALARY RANGES FOR CLASSIFIED POSITIONS
Effective July 1, 2009

Grade	Position	Minimum Salary		Maximum Salary	
		Annual	Hourly	Annual	Hourly
	Lieutenant Colonel	\$ 74,090	\$ 35.62	\$ 112,737	\$ 54.20
825	Chief Financial Officer	\$ 81,782	\$ 39.32	\$ 124,441	\$ 59.83
	Chief Information Officer				
	Community Development Division Director				
	Director of Public Safety				
	Human Resources Director				
	Public Works Director				
	Water System Director				

GLOSSARY OF BUDGETARY AND FINANCIAL TERMINOLOGY

Accounting System - The total set of records and procedures which are used to record, classify and report information on the financial statements and operations of an entity.

Accrual Basis of Accounting - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

Ad Valorem Property Taxes - Taxes levied on an assessed valuation (40% of market value) of real and personal property, based on a valuation as of January 1 and a millage rate set by the County Commission.

Appropriation - An authorization made by the Board of Commissioners which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one year period.

Board of Commissioners - The governing authority of the County. It consists of five members that serve on a part-time basis and are elected to staggered terms of four years.

Budget - A financial plan for a specific period of time that matches all planned revenues and expenditures with various County services.

Budget Amendment - A legal procedure utilized by County staff to revise a budget appropriation. County administration staff has the authorization to adjust line item expenditures within a departmental budget but the County Commission must approve any increase in the total budget for a department.

Capital Budget - A component of the annual budget that serves as a guide for efficiently and effectively undertaking capital projects. The capital budget includes the Capital Improvement Program (CIP).

Capital Improvement Program (CIP) - A five-year plan of major capital projects. It includes the funds required for the completion of the projects and the sources for funding these projects.

Capital Project - A capital outlay for the acquisition of any asset or construction project with an anticipated cost of \$5,000 to \$49,999 and an estimated useful life of three or more years.

CIP Project - Is a major capital project with an anticipated cost of at least \$50,000 and an estimated useful life of at least three years.

Capital Outlay - Includes expenditures that result in the acquisition of or addition to fixed assets that have an estimated useful life greater than one year.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Cost Center - An operating unit within the County for which an annual budget is approved by the County Commission.

Debt Service Fund - A fund used to account for resources intended for the payment of principal, interest, and any service charges on long-term debt.

Department - A major administrative unit of the County with overall management responsibility for an operation or a group of related operations within a functional area.

Encumbrance - Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

Enterprise Fund - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

Expenditure - Decrease in net financial resources. Expenditures include current operating expenses requiring the present and future use of net current assets, debt service, capital outlays and intergovernmental grants, entitlement, and shared revenues.

Fiscal Year - The time period designated by the County signifying the beginning and ending period for recording financial transactions. Fayette County has specified July 1 to June 30 as its fiscal year.

Fiscal Policies – guidelines that provide a framework as to how the financial responsibilities associated to the operation of the County are to be carried out.

Fixed Asset - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery and furniture.

Full-Time Equivalent (FTE) - Uniform basis used to measure approved positions. The number of positions is determined based on the total average weekly hours worked in relation to the total work hours in a full work week. Example: a position that works 20 hours per week is equivalent to 0.50 FTE (20 hours worked divided by 40 hours for a full work week).

Fund - A fiscal and accounting entity which is comprised of a self-balancing set of accounts which reflect all assets, liabilities, equity, revenue and expenditures (or expenses) necessary to disclose financial position and the results of operations. Funds are established as individual entities in order to segregate financial records for the purpose of legal compliance, different natures of the activities performed, measurement of different objectives, and to facilitate management control.

Fund Balance - Refers to the excess of current assets over current liabilities.

General Fund - It is the principal operating fund for the County.

General Obligation (G.O.) - Bonds sold to raise revenue for long-term capital financing needs. These bonds which pledge the full faith and credit of the County must be approved by voter referendum. The cost of financing is spread over the life of the improvement so that future users help to repay the cost of the improvement.

Governmental Fund - Used to account for all or most of a government's general activities. The measurement focus is on source and use of resources.

Infrastructure - Basic installations and facilities (e.g., roads, bridges) upon which the continuance and growth of a community depend.

Intergovernmental Revenue - Revenues received from other governmental entities in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

Interest Income - Revenue earned for the use of idle monies.

Interfund Transfer - Contributions and operating transfers of cash made between the various funds of the County.

Internal Service Fund - A fund used to account for operations that provide services to other departments or agencies of the governmental unit on a cost-reimbursement basis.

Lease Purchase - A method of acquiring high cost equipment or property and spreading the payments over a specified period of time.

Legal Debt Margin - The net amount of external financing resources that is available to the County through the issuance of general obligation bonds. For Fayette County, it is limited to an amount equal to 10% of the assessed value of all taxable property located within the county, less any current general obligation bond debt.

Liability - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

Line- Item Budget - A budget that lists each expenditure category separately along with the dollar amount budgeted for each specified category.

Millage Rate - The ad valorem tax rate expressed in terms of the levy per thousand dollars of taxable assessed value.

Modified Accrual Basis - The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues

are recorded when received in cash except for material and/or other available revenues which should be accrued to reflect properly the taxes levied and revenue earned.

Operating Budget - The portion of the budget pertaining to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, travel, fuel, and capital outlay.

Other Financing Sources – monies transferred-in from other funds.

Other Financing Uses – monies transferred-out to other funds.

Performance Measures - Specific quantitative and qualitative measures of work performed as an objective of the department or cost center.

Personal Per Capita Income – is the total income of all persons living in a community divided by the population of that community.

Property Tax - Revenue generated from the annual levy of taxes on property owners.

Revenue - The term designates an increase to a fund's assets which does not increase a liability, represent a repayment of an expenditure already made, represent a cancellation of certain liabilities or represent an increase in contributed capital.

Revenue Bond – a special type of bond distinguished by its guarantee of repayment solely from revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

Sales and Use Tax - A percentage tax imposed upon the sale or consumption of goods and/or services.

Special Revenue Fund – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.