



Where Quality Is A Lifestyle

FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2011



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Prepared by
County Finance Office



INTRODUCTORY SECTION

This Section Contains the Following Subsections:

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**CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING**

LISTING OF PRINCIPAL OFFICERS

ORGANIZATIONAL CHART

Fayette County, Georgia

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Where Quality Is A Lifestyle

December 30, 2011

Honorable Herb Frady, Chairman,
Members of the Board of Commissioners
and the Citizens of Fayette County, Georgia

The Comprehensive Annual Financial Report of Fayette County, Georgia for the fiscal year ended June 30, 2011, is hereby submitted as mandated by both Local ordinances and State statutes. These ordinances and statutes require that Fayette County, Georgia issue a report on its financial position and activity on an annual basis, and this report is to be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups, and component units of Fayette County, Georgia. All disclosures necessary to enable the reader to gain an understanding of the County financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, a list of Fayette County's principal officials, department directors and elected officials, and an organizational chart. The financial section includes the management's discussion and analysis, basic financial statements, combining and individual funds financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A section.

Reporting Entity

The financial reporting entity (Fayette County) includes all the funds of the primary government, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and included as part of the primary government. The Fayette County Public Facilities Authority (PFA) is included as a blended component unit.

Discretely presented component units are reported as a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from the primary government. The Fayette County Development Authority and the Fayette County Department of Public Health are reported as discretely presented component units.

The County provides a full range of services to its estimated 106,567 citizens. Some of the services which are available to at least a portion of those residents include police and fire protection; emergency medical services; court systems; library services; the construction and maintenance of highways, streets and infrastructure; fleet maintenance; buildings and grounds maintenance; tax assessment and collection; planning and zoning; building permitting and inspections; recreational activities and cultural events; and inherent administrative support services.

The County also operates a potable water distribution system and a solid waste management system, which are shown as Enterprise Funds in this report. The Water System was established in 1965 and serves approximately 27,698 customers in the unincorporated areas of the County and through the County owned distribution systems in the City of Peachtree City and the Towns of Brooks, Tyrone and Woolsey. The Water System also wholesales water to the City of Fayetteville pursuant to a wholesale water contract which expires in 2034.

The Fayette County Board of Education and the Fayette County Department of Family and Children Services are not included as a part of the County's reporting entity because their operations do not meet the potential component unit inclusion criteria set forth in Governmental Accounting Standards Board Statement No. 14, The Reporting Entity. The principal reasons for their exclusion are that they have their own governing boards, prepare their own budgets, and are financially independent.

Government Structure, Local Economic Condition and Outlook

Fayette County, which was established in 1821, is a body corporate and politic organized and existing under the Constitution and the laws of the State of Georgia. Encompassing only about 199 square miles, it is one of the smaller counties in the State in terms of area. Fayette County is geographically located in the northwestern part of Georgia about 15 miles south of the city limits of Atlanta and is considered an integral part of the Metro Atlanta area.

The governing authority of Fayette County is a Board of Commissioners consisting of five elected members. The commissioners serve on a part-time basis and are elected to staggered terms of four years. While all five commissioners are elected at large, three must come from the different road districts within the County. At their first meeting each calendar year, the Commission Chairman and Vice-Chairman are selected by the Board. In their policy making capacity, the Board of Commissioners is authorized to levy taxes; direct and control all property of the County; establish, alter, or abolish roads and bridges; fill vacancies in County offices unless others are empowered to do so; examine, settle and allow claims against the County; examine and audit the accounts of all officers having the care, management, keeping, collection, or disbursement of money belonging to the County; establish the cost of licenses; and make such rules and regulations as necessary for the protection and preservation of health, safety, welfare, and morals. The Board of Commissioners appoints the County Administrator who serves as the County's chief administrative officer. The County Administrator is responsible for the daily operations of all County functions in accordance with the policies of the Board of Commissioners.

The economic outlook for Fayette County remains stable as a result of cost cutting initiatives begun by management four years ago. This proactive approach has positioned the County to be able to face the current economic climate and maintain a strong financial position. Property values did see a decline in the current year; however, the decline is mild compared to surrounding areas. The net assessment of property in the County decreased 8.4 percent from \$5,457,605,221 to \$4,999,419,687. The unemployment rate continues to remain lower than the state average. At June 30, 2011 the rate was 9 percent compared to the State average of 10.2 percent.

Collections from sales taxes within Fayette County decreased during fiscal year 2011 as the result of the special local option sales tax ending in March 2010. The local option sales taxes were \$9.6 million for 2011, the same as the prior fiscal year. The special local option sales tax for road infrastructure improvements totaled \$161 thousand for fiscal year 2011 compared to \$12.3 million in fiscal year 2010.

Fayette County continues to benefit economically by being an integral part of one of the top growth areas in the United States. The Metropolitan Atlanta region represents one of the nation's primary transportation and distribution centers as well as being a major financial and consumer services leader. Georgia's geographically central location for domestic distribution, excellent surface transportation system, telecommunications infrastructure and proximity to major consumer markets make the State an excellent base for air cargo operations.

The quality and quantity of services provided by the County to its residents are second to none. In Fayette County, one will find one of the highest ranked school systems in Georgia, the lowest crime rate in the Metro-Atlanta area, and an efficient County government with one of the lowest millage rates and service costs per capita in the State. Each of these quality of life factors combine to make the County an extremely attractive place in which to reside.

Accounting and Budgetary Controls

Management of Fayette County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

The County maintains budgetary controls to ensure compliance with the legal provision of the annual appropriations budget approved by the Board of Commissioners. Statutes of the State of Georgia require the County to operate under an annual balanced budget adopted by resolution. The County Administrator is responsible for preparing the annual budget, which is then submitted to the Board of Commissioners for discussion and adoption.

Activities of the General Fund and Special Revenue Funds are included in the annual appropriations budget. Cash flow budgets are prepared and adopted for both of the Enterprise Funds. Project length financial plans are approved for the construction projects that are reported in the Capital Projects Funds.

The applicable State statutes require that the County not exceed its budget at the department level. The legal level of County budget control (the level at which expenditures may not exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative budgetary control is maintained internally at an object of expenditure level within the department or function. County Department Heads can authorize the transfer of appropriations among accounts within their department's budget. The Board of Commissioners must approve all other transfers or supplemental appropriations. The County's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

The County maintains an encumbrance accounting system as another means of accomplishing budgetary control. Encumbered amounts at year-end are recorded as a reservation of fund balance and carried forward into the ensuing year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

Cash Management

Cash temporarily idle during the year was invested in accordance with allowable investments per Georgia law. The County earned interest revenue of \$602 thousand on all investments of the governmental and proprietary types for the year ended June 30,

2011(\$204 thousand of this being shown as a program revenue as dictated by the State Auditor's office).

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are required to be either insured by federal depository insurance or collateralized. At June 30, 2011, all of the County's depositories provided sufficient and/or proper collateralization of the County's deposits. All other collateral on deposits was held either by the County, its agent, or a financial institution's trust department in the County's name.

Risk Management

Fayette County is self-insured for employee medical, dental and vision coverage, and workers' compensation. Third party administrators are employed to process claims for these programs.

The County's Human Resource Department monitors all self-funded programs to develop programs for accident prevention and claims reduction in all County departments.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Nichols, Cauley & Associates LLC was selected by Fayette County to perform the June 30, 2011 audit. This report has been prepared in accordance with those State requirements set forth. The auditors' report on the basic financial statements and the combining and individual funds statements and schedules are included in the financial section of this report.

Reporting Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fayette County for its comprehensive annual financial report for the year ended June 30, 2010. The County has received this award for each of the last eighteen years. In order to be awarded a Certificate of Achievement, Fayette County published 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.

In addition, Fayette County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for fiscal year 2011.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the various County departments and officials, and in particular, the staff of the Finance Department. Our sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

We would also like to thank the Chairman and members of the Board of Commissioners for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. We believe that the accomplishments that have been identified in this transmittal letter and the accompanying MD&A section clearly indicate that the Board of Commissioners has effectively and efficiently planned and managed the resources that were entrusted to them by the Citizens of the County.

Respectfully submitted,



Jack Krakeel
County Administrator



Mary S. Holland
Chief Financial Officer

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Fayette County
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emery

Executive Director

Fayette County, Georgia

Listing of Principal Officials

June 30, 2011

Board of Commissioners
Herbert E. Frady, Chairman
Robert Horgan, Vice Chairman
Lee Hearn
Allen McCarty
Steve Brown

County Administrator
Jack J. Krakeel

Chief Financial Officer
Mary S. Holland

County Attorney
Scott Bennett

County Purchasing Agent
Ted Burgess

Clerk of Courts
Sheila Studdard

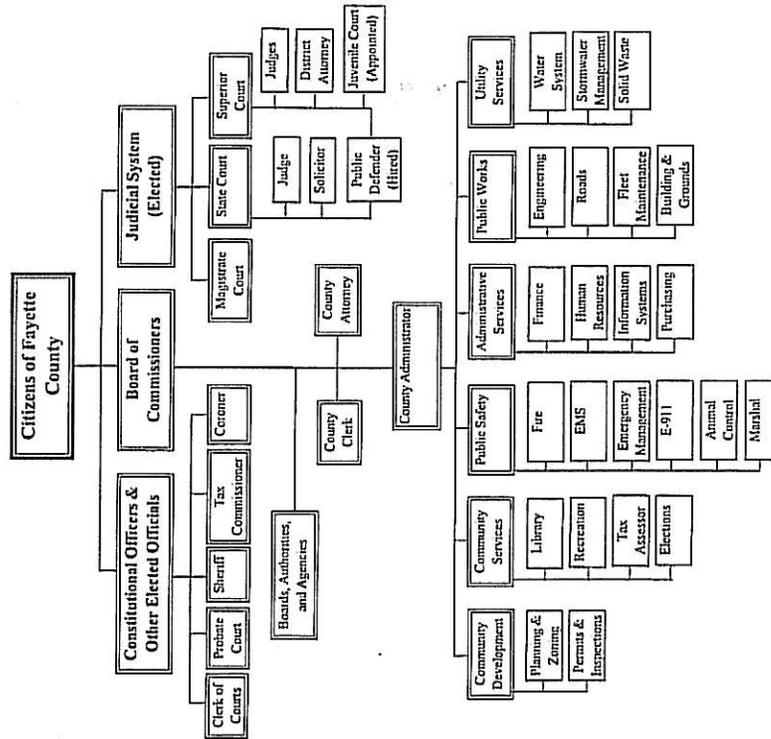
Probate Court Judge
Ann Jackson

Sheriff
Wayne Hannah

Tax Commissioner
George Wingo

Auditors
Nichols, Cauley & Associates, LLC

**FAYETTE COUNTY, GEORGIA
ORGANIZATIONAL CHART**





FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS



NICHOLS, CAULEY & ASSOCIATES, LLC

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Certified Internal Auditors
Certified Government Auditing Professionals
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INDEPENDENT AUDITOR'S REPORT

Fayette County Board of Commissioners
Fayette County, Georgia
Fayetteville, Georgia

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 the Fayette County, Georgia, (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fayette County Department of Public Health and the Fayette County Development Authority, the discretely presented component units of the County. Those financial statements, were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fayette County Department of Public Health and the Fayette County Development Authority 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provides a reasonable basis for our 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 Fayette County, Georgia, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Fayette County Board of Commissioners
Fayette County, Georgia

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information on pages 3 through 15 and 58 through 63 be presented to supplement the basic financial statements. Such information, although not 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, and historical context. We have applied certain limited procedures to Management's Discussion and Analysis and 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, internal service funds, fiduciary funds, statistical section and the Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (as required by Section 48-8-121 of the Official Code of Georgia annotated) are presented for purposes of additional analysis and are not part of the basic financial statements. The combining and individual nonmajor fund financial statements, internal service funds, fiduciary funds and the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Richards, Cauley + Associates, LLC

Atlanta, Georgia
December 16, 2011

Fayette County, Georgia

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Management's discussion and analysis provides a narrative overview and analysis of the financial activities of the Fayette County Board of Commissioners for the fiscal year ended June 30, 2011. Management encourages readers to consider the information presented here in conjunction with additional information we have included in our letter of transmittal, which can be found on pages v-x in the introductory section of this report and the Government's financial statements following.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These basic statements consist of three sections: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other information supplementary to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements include a Statement of Net Assets and a Statement of Activities, and provide both long-term and short-term information about the County's overall financial status. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net assets of governmental activities and business-type activities and the change in net assets. Governmental Activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, fines, and charges for services. Business-type activities are supported by charges to the users of those activities, such as water service charges.

The Statement of Net Assets presents information on the County's assets and liabilities. Net assets, the difference between these assets and liabilities, is a useful way to measure the County's financial health. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during this current fiscal year. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. Therefore, some revenues and expenses are reported here that will only result in cash flows in future years, such as uncollected taxes and earned but unused vacation leave. Additionally, this statement shows how much of the County's activities are funded by program revenue (charges for services, grants, and contributions) and how much the County's functions rely on general revenues (primarily taxes) for funding.

The government-wide financial statements include not only the County itself (called the primary government), but also legally separate entities for which the County is

financially accountable (called component units). The activities of the primary government are comprised of functions of the County that are primarily financed by taxes and intergovernmental revenues. Examples include courts and law enforcement, public safety, planning and community development and general government. The County's statements include two component units for which the County is financially responsible: the Fayette County Development Authority and the Fayette County Department of Public Health. The financial information for these component units is reported separately from the financial information presented for the primary government. Complete financial statements for each of the individual component units can be obtained from:

Fayette County Development Authority
200 Courthouse Square
Fayetteville, Georgia 30214

Fayette County Department of Public Health
140 Stonewall Avenue, West, Ste 107
Fayetteville, Georgia 30214

Fayette County Public Facilities Authority although legally separate, functions for all practical purposes as part of the County, and therefore the activities of the Authority have been included as an integral part of the primary government.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. 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. Fayette County uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. All funds of Fayette County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Fayette County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for those considered to be major funds: the General Fund, the Fire District Fund, SPLOST County-wide roads CIP, SPLOST Road Unincorporated, and EMS District Fund. Individual data from the remaining non-major governmental funds are combined into a single, aggregate column marked "Non-Major Governmental Funds". Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

Fayette County adopts an annual appropriated budget for the General Fund, each Special Revenue Fund, and the SPLOST library fund. A budgetary comparison statement is provided for each of these funds in order to present budgetary compliance.

Project Length Budgets are adopted for the remaining Capital Project Funds. Budgetary comparison statements are presented, in order to present budgetary compliance.

Proprietary funds - The financial statements of Fayette County include four internal service funds: the Worker's Compensation Self-Insurance Fund, the Medical Self-Insurance Fund, the Dental/Vision Self-Insurance Fund, and the Vehicle Replacement Fund. Internal service funds are a type of proprietary fund used to accumulate and allocate costs internally among various functions in the County. Also, included in the financial statements are two enterprise funds: Water System Fund and Solid Waste Fund which are types of proprietary funds. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Additional information about the County, which may be of interest to the reader, is found in the Statistical section of the report.

Financial Highlights

- The assets of Fayette County Governmental Activities exceeded its liabilities at June 30, 2011 by \$182,956,636 (net assets). Of this amount, \$33,005,348 is unrestricted net assets. Fayette County's Business-type Activities exceeded its liabilities at June 30, 2011 by \$79,810,514 (net assets). Of this amount, \$2,577,297 is unrestricted net assets. The Primary Government's total unrestricted net assets is \$35,582,645 and may be used to meet the County's ongoing obligations to citizens and creditors.

	Fayette County's Net Assets					
	Governmental Activities		Business Type Activities		Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 123,934,408	\$ 138,786,327	\$ 29,673,874	\$ 32,902,024	\$ 153,608,282	\$ 171,688,351
Capital assets	112,187,078	109,178,603	108,336,508	107,060,463	220,523,586	216,239,066
Total assets	<u>236,121,486</u>	<u>247,964,930</u>	<u>138,010,382</u>	<u>139,962,487</u>	<u>374,131,868</u>	<u>387,927,417</u>
Long-term liabilities	46,600,485	57,519,433	51,883,528	57,851,211	98,484,013	115,370,644
Other liabilities	6,564,365	5,738,401	6,316,340	2,952,570	12,880,705	8,690,971
Total liabilities	<u>53,164,850</u>	<u>63,257,834</u>	<u>58,199,868</u>	<u>60,803,781</u>	<u>111,364,718</u>	<u>124,061,615</u>
Invested in capital assets, net of related debt	70,008,446	58,397,470	63,105,257	49,359,571	133,113,703	107,757,041
Restricted	79,942,842	74,438,174	14,127,960	12,918,243	94,070,802	87,356,417
Unrestricted	33,005,348	51,871,452	2,577,297	16,880,892	35,582,645	68,752,344
Total net assets	<u>\$ 182,956,636</u>	<u>\$ 184,707,096</u>	<u>\$ 79,810,514</u>	<u>\$ 79,158,706</u>	<u>\$ 262,767,150</u>	<u>\$ 263,865,802</u>

Statement of Net Assets & Activities

As noted earlier, changes in net assets over time can be a useful indicator of a government's financial position. At the end of fiscal year ending June 30, 2011, the County's assets exceeded liabilities by \$262,767,150 or a decrease of \$1,098,652, a 0.4% decrease from 2010.

Governmental activities total net assets had a decrease due to a number of factors. The primary factor was a reduction in cash and investments. The majority of the decrease was due to cash utilization for a reduction in the bonds of the Public Facilities Authority, a blended component unit. This also resulted in a reduction of total liabilities. The liabilities decreased 16 percent, even with an increase in the OPEB liability from OPEB being funded on a pay-as-you-go basis. Additionally, cash decreased during the current year as spending on SPLOST projects continued while revenue collections ceased. Business-type activities had an increase in net assets as a result of increased revenues.

The following summarizes the components of the County's net assets at June 30, 2011 for the primary government.

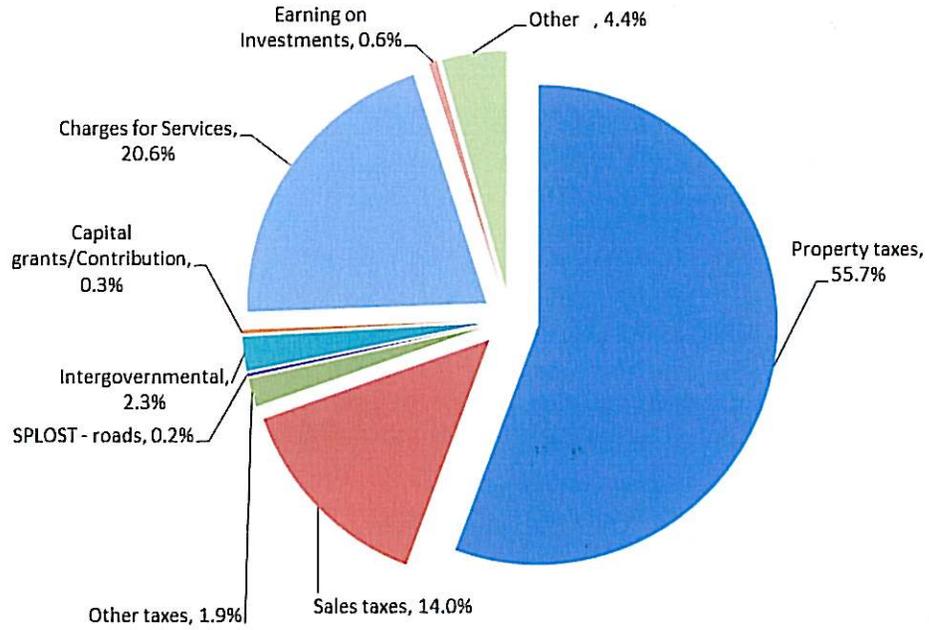
Fayette County's investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any outstanding related debt used to acquire the asset and accumulated depreciation, equals 50.7 percent of net assets. The County uses these capital assets to provide services to citizens and, 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 assets themselves are not readily available to liquidate these liabilities.

Fayette County's net assets also include restricted net assets of \$94,070,802 (or 35.8 percent of net assets), and unrestricted net assets of \$35,582,645 (or 13.5 percent of net assets). Restricted net assets represent resources subject to external restriction on how they may be used. Unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors.

Fayette County's Statement of Activities and Changes in Net Assets

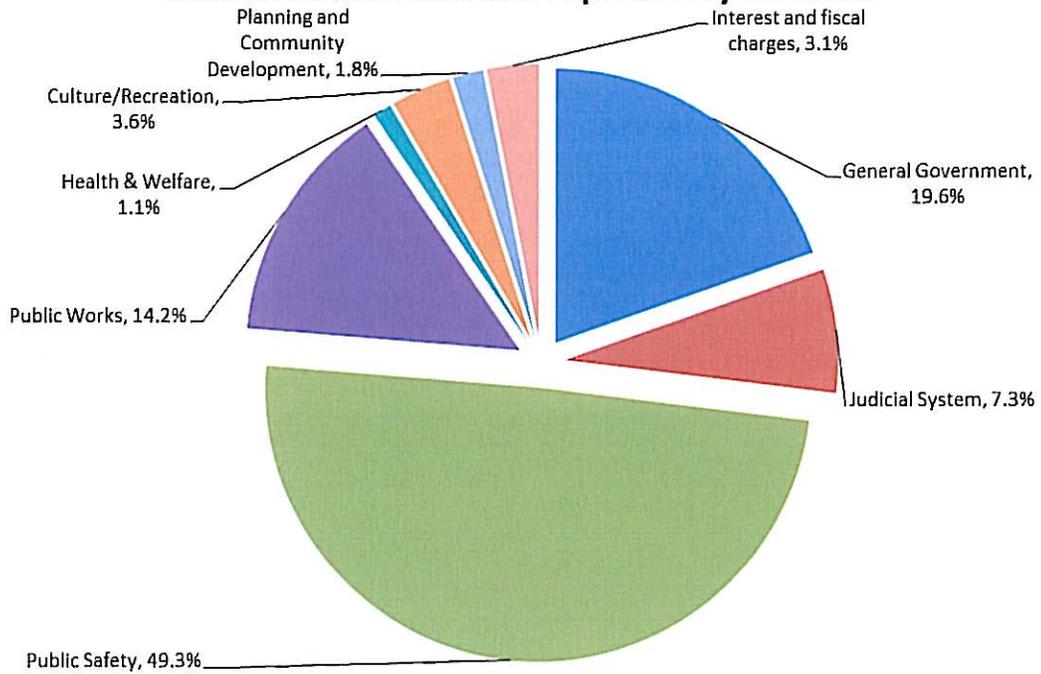
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 14,070,903	\$ 9,487,475	\$ 14,429,449	\$ 13,464,962	\$ 28,500,352	\$ 22,952,437
Operating grants and contributions	27,767	31,935	-	-	27,767	31,935
Capital grants and contributions	204,367	-	379,232	418,363	583,599	418,363
General revenues:						
Property taxes	37,981,404	39,052,755	-	-	37,981,404	39,052,755
Sales taxes	9,572,548	9,635,056	-	-	9,572,548	9,635,056
SPLOST-roads	160,567	12,254,894	-	-	160,567	12,254,894
Other taxes	1,311,971	1,224,064	-	-	1,311,971	1,224,064
Earning and investments	391,771	764,894	5,552	30,456	397,323	795,350
Intergovernmental	1,580,095	3,654,944	-	-	1,580,095	3,654,944
Other	2,991,466	582,153	43,536	46,850	3,035,002	629,003
Total revenues	68,292,859	76,688,170	14,857,769	13,960,631	83,150,628	90,648,801
Expenses:						
General government	13,911,254	17,477,463	-	-	13,911,254	17,477,463
Judicial	5,150,662	5,607,459	-	-	5,150,662	5,607,459
Public safety	34,914,150	33,801,423	-	-	34,914,150	33,801,423
Public works	10,040,669	13,183,402	-	-	10,040,669	13,183,402
Health and welfare	761,169	695,438	-	-	761,169	695,438
Culture and recreation	2,511,883	2,869,310	-	-	2,511,883	2,869,310
Planning and development	1,277,307	1,260,287	-	-	1,277,307	1,260,287
Interest and fiscal charges	2,182,282	2,785,637	-	-	2,182,282	2,785,637
Water system	-	-	13,336,098	13,083,162	13,336,098	13,083,162
Solid waste	-	-	163,806	162,341	163,806	162,341
Total expenses	70,749,376	77,680,419	13,499,904	13,245,503	84,249,280	90,925,922
Excess (deficiency) before transfers	(2,456,517)	(992,249)	1,357,865	715,128	(1,098,652)	(277,121)
Transfers in	706,057	714,057	-	-	706,057	714,057
Transfers out	-	-	(706,057)	(714,057)	(706,057)	(714,057)
Total transfers	706,057	714,057	(706,057)	(714,057)	-	-
Increase (decrease) in net assets	(1,750,460)	(278,192)	651,808	1,071	(1,098,652)	(277,121)
Net assets, beg. of year	184,707,096	184,985,288	79,158,706	79,157,635	263,865,802	264,142,923
Net assets, end of year	<u>\$ 182,956,636</u>	<u>\$ 184,707,096</u>	<u>\$ 79,810,514</u>	<u>\$ 79,158,706</u>	<u>\$ 262,767,150</u>	<u>\$ 263,865,802</u>

Governmental Activities Revenue by Source



+

Governmental Activities Expenses by Function



As of June 30, 2011, Fayette County's total governmental funds reported combined ending fund balances of \$109,503,448, a decrease of \$12,779,526 or 10 percent in comparison with the previous fiscal year. More information on this decrease can be found in the individual fund sections starting below. Approximately 11 percent or \$12,203,941 is made up of unassigned fund balance. The remainder of the fund balance, \$97,299,507, is either nonspendable, restricted, committed, or assigned. The largest portion of this \$57,124,196 restricted for SPLOST road projects.

- The debt of Fayette County had a net decrease by \$7,695,000 as a result of cash contributed to the refunding of the bonds for the Fayette County Public Facilities Authority during the current fiscal year.
- Fayette County's capital lease debt decreased by \$907,501 for fiscal year 2011.
- The maintenance and operations property tax rates of the General Fund, Fire Fund and the EMS Fund were not changed from FY 2011 to FY 2010:

Fund	M&O Tax Rate FY 2011	M&O Tax Rate FY 2010
General	5.400	5.400
Fire	1.991	1.991
EMS	0.548	0.548

Fund Financial Information

Major Governmental Funds

General Fund

The General Fund is the chief operating fund of the County. At June 30, 2011 the unassigned fund balance in the General Fund was \$12,203,941. The general fund also had \$11,175,508 assigned for Capital/CIP and \$13,633,544 committed. The largest portion of the committed funds is stabilization funds of \$11,522,172 that represent three months of working capital. As a measure of the liquidity of the General Fund, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures, unassigned fund balance represents 28.5 percent of total General Fund expenditures, while total fund balance represents 87.2 percent of that same amount.

The overall fund balance of the County's General Fund increased by \$2.3 million during the current fiscal year compared to FY2010's figure of \$2.0 million. Operations contributed \$1.3 of the \$2.3 million increase. This increase in revenue over expenditures was the result of increased charge for certain services related to raised base rates for the courts and sheriff's office in HB 1055. Also, reductions in operating expenditures were made to ensure fiscal health in the uncertain economic climate.

Net transfers contributed \$1 million to the overall increase in the General Fund. Net transfers in the prior year were \$.4 million.

General Fund Budgetary Highlights

The leadership of Fayette County desires to provide quality governmental services at an optimum cost. In order to achieve this objective, the budgetary process provides assurance that approved budgets are fully justified.

During fiscal year 2011, actual revenue in the General Fund was \$1.9 million more than final budgetary estimates. Property taxes came in \$0.6 million stronger than anticipated. Also, the other taxes were \$0.4 million higher than final budget estimates. Charges for services were \$0.4 million higher than anticipated. Investment income was also higher than anticipated due to increased investment management. Expenditures were \$1.5 million less than anticipated. General government contributed the largest portion of these expenditure savings.

Other Major Governmental Funds

The Fire District Fund has a total fund balance of \$2,765,808, which represents a decrease from the prior year of \$225,002. Total fund balance for the Fire District Fund is 38 percent of its 2011 expenditures. The fund balance was budgeted to decrease \$390,211 during fiscal year 2011 as planned to provide the same level of service even with declines in property taxes.

The SPLOST County-Wide Roads Capital Project Fund has a total fund balance of \$55,503,335, which represents a decrease from the prior year of \$4,778,921. The primary reason for the decrease is continued work on approved projects and the ceasing of revenues as the period for collections ended in March 2010.

The SPLOST Roads Unincorporated Capital Project Fund has a total fund balance of \$1,620,861, which represents an decrease from the prior year of \$29,365. The primary reason for the decrease is continued work on approved projects and the ceasing of revenues as the period for collections ended in March 2010

The EMS District Fund accounts for emergency services provided within the EMS district. The financing for the fund comes from a special tax levy. During the current year, the fund balance had an increase of \$708,378 which was more than anticipated in the final budget based on a increase in charges for services and a decrease in overall expenditures.

Non-Major Governmental Funds

Special Revenue Funds

At June 30, 2011, the fund balances for the Non-Major Special Revenue Funds totaled \$2,965,929. During the fiscal year, the total fund balances for these funds decreased by \$731,734. The majority of this change was due to the Law Enforcement Confiscated Monies (LECM) fund which expended more than received in the current year to use fund balance increases from the prior year.

Capital Projects

At June 30, 2011 the Non-Major Capital Projects funds had a combined fund balance totaling \$7,304,066. This fund is used to accumulate funds necessary to construct or acquire capital assets. During the fiscal year, the total fund balances for these funds decreased by \$1,843,595. The primary reason for the decrease was the use of funds during the refunding to reduce the long-term debt for the criminal justice center.

Major Proprietary Funds

Water System

The Water System provides water services to approximately 27,698 customers in Fayette County. The analysis provides summary financial information for the Water System and should be read in conjunction with the financial statements on pages 22 –25 and the related footnotes.

Financial Highlights

- The Water System's total assets exceeded total liabilities by \$78.5 million.

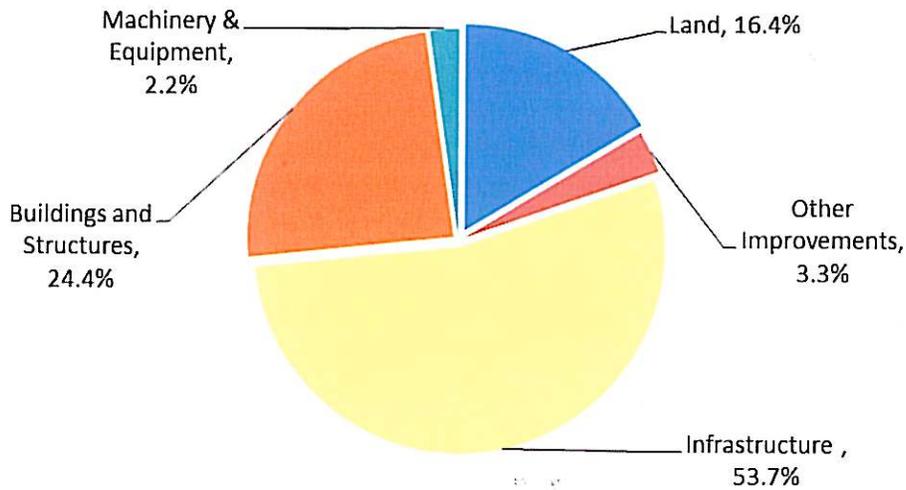
The following summarizes the components of the Water System's net assets at June 30, 2011 and 2010:

	2011	2010
Current and other assets	\$ 14,294,951	\$ 18,685,887
Restricted assets	14,127,960	12,918,243
Capital assets	108,290,062	107,004,952
Total assets	<u>136,712,973</u>	<u>138,609,082</u>
Other liabilities	6,302,876	5,818,626
Long-term liabilities	51,882,422	54,941,481
Total liabilities	<u>58,185,298</u>	<u>60,760,107</u>
Invested in capital assets, net of related debt	63,058,811	49,304,060
Restricted	14,127,960	12,918,243
Unrestricted	1,340,904	15,626,672
Total net assets	<u><u>78,527,675</u></u>	<u><u>77,848,975</u></u>

- The Water System adopted the State of Georgia's water regulations in 2004. Detailed water restrictions and information can be obtained on the County's website fayettecountyga.gov.
- Water sales revenue increased \$841,143 or 6.5% over 2010 revenue.

Fayette County Water System's investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any outstanding related debt used to acquire the asset and accumulated depreciation, equals 80.3 percent of net assets. The Water System uses these capital assets to provide services to customers and consequently, these assets are not available for future spending.

Water System Capital Assets



Water distribution system includes 618 miles of water line of various diameters and materials. Infrastructure additions for fiscal year 2011 totaled \$1,160,397 which includes water lines, meters and fire hydrants. The following tabulation shows water line footage by size, including current year additions for the year ended June 30, 2011. The amount of pipe smaller than 6" is insignificant and not reported as part of the distribution system.

<u>Pipe Size</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
30"	37,802		37,802
24"	106,950		106,950
20"	222,803		222,803
18"	8,390		8,390
16"	149,106		149,106
12"	270,480		270,480
10"	288,191	3,750	291,941
8"	1,380,161	7,819	1,387,980
6"	785,052	1,417	786,469
Totals	3,248,935	12,986	3,261,921

Fayette County Water System's net assets also include restricted assets of \$14,127,960 (18 percent of net assets) and unrestricted net assets of \$1,340,904 (1.7 percent of net assets). Restricted net assets represent resources subject to external restriction on how they may be used. Unrestricted net assets may be used to meet the Water System's ongoing obligations to creditors.

The Water System's total net assets increased \$678,700 or 0.9 percent during the fiscal year. This indicates that the revenue sources exceed the ongoing cost of the Water System.

Water System's Changes in Revenue, Expense and Change in Fund Net Assets:

	2011	2010
Revenues and capital contributions:		
Water sales	\$ 13,840,504	\$12,999,361
Other operating	448,563	344,893
Non-operating	47,284	73,549
Capital contributions	379,232	418,363
Total revenues and capital contributions	<u>14,715,583</u>	<u>13,836,166</u>
Expenses and transfers		
Operating expenses	6,559,007	6,163,479
Non-operating expenses	2,408,479	2,511,507
Transfer-overhead	700,785	708,785
Depreciation expense	4,368,612	4,408,176
Total expenses	<u>14,036,883</u>	<u>13,791,947</u>
Increase in net assets	678,700	44,219
Net assets, beginning of year	<u>77,848,975</u>	<u>77,804,756</u>
Net assets, end of year	<u>\$ 78,527,675</u>	<u>\$77,848,975</u>

The Water System's total revenues and capital contributions increased \$879,417 or 6.4% during the fiscal year. The increase can be attributed to increased water sales.

The total expense increased \$244,936 or 1.8 percent during the fiscal year. The increase can be attributed to the increasing costs associated with water production.

Long-term debt – At the end of the current fiscal year, Fayette County Water System's total revenue bonded debt is \$55,080,000 (see page 51 in Notes to the Financial Statements).

Non-Major Proprietary Funds

Solid Waste

Fayette County closed the First Manassas Mile Road landfill in 1997. To provide Fayette County citizens with disposal services, Georgia Waste Management operates a transfer station and the County is paid host fees and leaf and limb revenue based on tonnage. At fiscal year end for 2011, Solid Waste fund's net assets equated to \$1,282,839.

The Georgia Environmental Protection Division (EPD) has completed a review of the landfill financial test mechanism. Fayette County is in compliance until December 30, 2011, for the closure and post-closure care financial assurance requirements in the 2010 fiscal year.

The relative financial strength ratio is 0.01 for 2011 fiscal year. The EPD requires a relative financial strength ratio equal to or less than 0.43. The County's relative financial strength ratio is exceptional.

The major goals for 2011 were; Continue to monitor the groundwater and methane to assure natural attenuation is correcting the groundwater contamination at the Southside

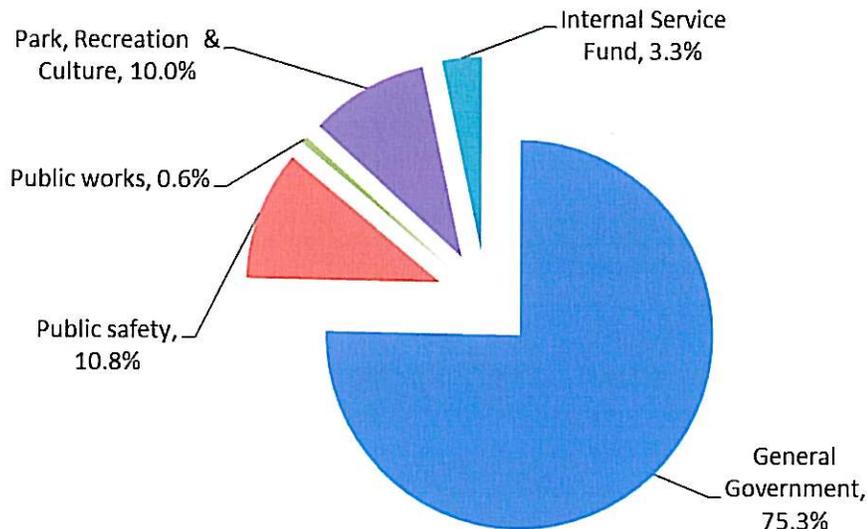
Landfill, and maintain the yard waste operation in order to minimize the negative change in net assets at the end of the fiscal year. The change in net assets for 2011 was a decrease of \$26,892 or 2.0 percent.

	<u>2010</u>	<u>2010</u>
Current assets	\$ 1,250,963	\$ 1,297,894
Capital assets, net of accumulated depreciation	<u>46,446</u>	<u>55,511</u>
Total assets	1,297,409	1,353,405
Current liabilities	13,464	41,587
Long-term liabilities	<u>1,106</u>	<u>2,087</u>
Total liabilities	14,570	43,674
Invested in capital assets, net of related debt	46,446	55,511
Unrestricted	<u>1,236,393</u>	<u>1,254,220</u>
Total net assets	\$ 1,282,839	\$ 1,309,731

Capital Assets

Capital assets - Fayette County's capital assets as of June 30, 2011, totaled \$220,523,586 net of accumulated depreciation. Governmental activity accounts for \$112,187,078 while business type totals \$108,336,508. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. (see Note III B. Capital Assets on pages 45-46)

Governmental Assets



The Government's Debt

Long-term debt – At the end of the current fiscal year, Fayette County governmental activities has total bonded debt outstanding of \$42,178,632. This amount represents the Fayette County Public Facilities Authority Revenue Bonds of \$40,300,000 issued to construct the Criminal Justice Center, the capital leases of \$1,878,632 for the 841 Mhz radio system for E911 and various copiers throughout the county, the GMA lease pool certificate of participation of \$3,220,000 (see pages 51).

Other Financial Information

On November 2, 2004, a referendum was passed by Fayette County voters to impose a 1% Special Purpose Local Options Sales Tax (SPLOST) for use for road, street and bridge purposes in Fayette County. The tax began April 1, 2005 and continued through March 31, 2010.

The tax has been subdivided into two parts with 70 percent of the available funding earmarked for County-Wide Projects and the remaining 30 percent of available funding earmarked for use of projects sponsored by a city, town, or the unincorporated portion of Fayette County (see pages 77-78).

Request for Information

This financial report is designed to provide a general overview of Fayette 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 can be obtained by accessing the County's website at finance@fayettecountyga.gov, or by contacting the Finance Department at the following address and telephone number:

Fayette County Finance Department
140 Stonewall Avenue, West Suite 101
Fayetteville, GA 30214
(770) 305-5413



Where Quality Is A Lifestyle

BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Statement of Net Assets

June 30, 2011

	Primary Government		Primary Government Total	Component Unit Total
	Governmental Activities	Business-type Activities		
ASSETS				
Current:				
Unrestricted cash	\$ 16,384,108	\$ 12,670,387	\$ 29,054,495	\$ 839,566
Restricted cash	41,503,826	14,127,960	55,631,786	128,531
Unrestricted investment	40,237,514	-	40,237,514	-
Restricted Investment	20,116,984	-	20,116,984	750,000
Taxes receivable, net	1,916,290	-	1,916,290	-
Other receivables	2,397,480	2,007,794	4,405,274	52,626
Inventory and prepaid expenses	385,855	585,122	970,977	-
Noncurrent:				
Net pension obligation	803,967	-	803,967	-
Unamortized debt issue costs	188,384	282,611	470,995	-
Capital assets, non depreciable	9,060,705	15,219,178	24,279,883	-
Capital assets, net of accumulated depreciation	103,126,373	77,300,749	180,427,122	219,657
Construction in process	-	15,816,581	15,816,581	-
Total assets	236,121,486	138,010,382	374,131,868	1,990,380
LIABILITIES				
Current:				
Accounts payable	2,211,004	2,422,469	4,633,473	918,497
Salaries and benefits payable	1,558,718	129,663	1,688,381	-
Unearned revenues	14,325	37,500	51,825	-
Accrued interest	192,543	585,853	778,396	-
Current compensated absences	708,069	30,855	738,924	-
Current portion of long-term obligations	1,879,706	3,110,000	4,989,706	-
Noncurrent:				
OPEB liability	609,603	-	609,603	-
Capital lease, net of current portion	948,926	-	948,926	-
Long term compensated absences payable	2,471,956	128,062	2,600,018	46,688
Certificate of participation payable	3,220,000	-	3,220,000	-
Bonds payable, net of current portion	39,350,000	51,755,466	91,105,466	-
Total liabilities	53,164,850	58,199,868	111,364,718	965,185
NET ASSETS				
Invested in capital assets, net of related debt	70,008,446	63,105,257	133,113,703	219,657
Restricted for:				
Debt service	3,220,000	7,557,031	10,777,031	-
Renewal and extension	-	6,570,929	6,570,929	-
Capital improvements	76,722,842	-	76,722,842	-
Unrestricted	33,005,348	2,577,297	35,582,645	805,538
TOTAL NET ASSETS	\$ 182,956,636	\$ 79,810,514	\$ 262,767,150	\$ 1,025,195

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

Fayette County, Georgia
Statement of Activities

For the fiscal year ended June 30, 2011

Functions/Program Activities	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for	Capital	Governmental	Primary Government	Total	
		Services and Fines	Operating Grants and Contributions				
Primary government							
Governmental Activities:							
General Government	\$ 13,911,254	\$ 4,185,268	\$ -	\$ (9,717,163)	\$ -	\$ (9,717,163)	\$ -
Judicial	5,150,662	2,695,620	-	(2,455,042)	-	(2,455,042)	-
Public Safety	34,914,150	6,693,329	14,809	(28,206,012)	-	(28,206,012)	-
Public Works	10,040,669	7,175	204,367	(9,829,127)	-	(9,829,127)	-
Health and Welfare	761,169	-	-	(761,169)	-	(761,169)	-
Culture/Recreation	2,511,883	278,526	4,135	(2,229,222)	-	(2,229,222)	-
Planning & Community Develop.	1,277,307	210,985	-	(1,066,322)	-	(1,066,322)	-
Interest and fiscal charges	2,182,282	-	-	(2,182,282)	-	(2,182,282)	-
Total governmental activities	70,749,376	14,070,903	204,367	(56,446,339)	-	(56,446,339)	-
Business-type activities:							
Water System	13,336,098	14,289,067	379,232	-	1,332,201	1,332,201	-
Solid Waste	163,806	140,382	-	-	(23,424)	(23,424)	-
Total business-type activity	13,499,904	14,429,449	379,232	-	1,308,777	1,308,777	-
Total primary government	\$ 84,249,280	\$ 28,500,352	\$ 583,599	\$ (56,446,339)	\$ 1,308,777	\$ (55,137,562)	\$ -
Component units:							
Governmental-type	\$ 1,701,024	\$ 673,653	\$ -	\$ -	\$ -	\$ -	\$ (335,898)
Total component units	\$ 1,701,024	\$ 673,653	\$ -	\$ -	\$ -	\$ -	\$ (335,898)
General revenues							
Property taxes				37,981,404		37,981,404	-
Sales taxes				9,572,548		9,572,548	-
Other taxes				1,311,971		1,311,971	-
SPLOST				160,567		160,567	-
Intergovernmental				1,580,095		1,580,095	290,312
Sales of capital assets				16,329		16,329	-
Miscellaneous revenues				2,975,137	43,536	3,018,673	-
Interest				391,771	5,552	397,323	6,991
Transfers				706,057	(706,057)	-	-
Total general revenues and transfers				54,695,879	(656,969)	54,038,910	297,303
Change in net assets				(1,750,460)	651,808	(1,098,652)	(38,595)
Net assets - beginning of year				184,707,096	79,158,706	263,865,802	1,063,790
Net assets - end of year				\$ 182,956,636	\$ 79,810,514	\$ 262,767,150	\$ 1,025,195

Fayette County, Georgia
Balance Sheet
Governmental Funds

June 30, 2011

	Major Governmental Funds							Total Governmental Funds
	General	Fire District	SPLOST County-Wide Roads CIP	SPLOST Roads Unincorporated	EMS District Fund	Criminal Justice Center Construction	Non-Major Governmental Funds	
Assets								
Unrestricted cash	\$ 6,360,483	\$ 1,049,150	\$ -	\$ -	\$ 1,766,374	\$ -	\$ 5,249,265	\$ 14,425,272
Restricted cash	-	-	35,760,246	1,641,482	-	-	840,668	38,242,396
Unrestricted investments	31,184,339	2,010,635	-	-	-	-	4,024,815	37,219,789
Restricted investments	-	-	20,116,984	-	-	-	-	20,116,984
Taxes receivable	1,712,580	137,552	-	-	55,597	-	10,561	1,916,290
Other receivables	905,458	36,331	19,580	2,073	412,312	20,941	493,227	1,889,922
Inventory	148,037	-	-	-	-	-	-	148,037
Prepaid items	112,314	2,235	-	-	7,396	-	23,696	145,641
Total assets	40,423,211	3,235,903	55,896,810	1,643,555	2,241,679	20,941	10,642,232	114,104,331
Liabilities								
Accounts payable	669,474	11,898	370,880	22,694	16,081	-	272,324	1,363,351
Salary and benefits payable	1,133,035	263,321	-	-	92,558	-	69,804	1,558,718
Compensated absences payable	607,799	50,955	-	-	30,171	-	19,144	708,069
Contracts payable	-	-	22,595	-	-	-	-	22,595
Deferred revenue	739,559	143,921	-	-	53,705	-	10,965	948,150
Total liabilities	3,149,867	470,095	393,475	22,694	192,515	-	372,237	4,600,883
Fund Balances								
Nonspendable	260,351	2,235	-	-	7,396	-	23,696	293,678
Restricted	-	-	55,503,335	1,620,861	-	-	969,615	58,093,811
Committed:								
Encumbrances	111,372	2,285	-	-	236	-	19,418	133,311
Emergencies	2,000,000	-	-	-	-	-	-	2,000,000
Stabilization funds	11,522,172	1,892,295	-	-	774,589	-	-	14,189,056
Assigned:								
Capital/CIP	11,175,508	101,329	-	-	40,107	20,941	7,291,146	18,629,031
Fund purpose	-	767,664	-	-	1,226,836	-	1,966,120	3,960,620
Unassigned	12,203,941	-	-	-	-	-	-	12,203,941
Total fund balances	37,273,344	2,765,808	55,503,335	1,620,861	2,049,164	20,941	10,269,995	109,503,448
Total liabilities and fund balances	\$ 40,423,211	\$ 3,235,903	\$ 55,896,810	\$ 1,643,555	\$ 2,241,679	\$ 20,941	\$ 10,642,232	\$ 114,104,331

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

Fayette County, Georgia

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets

June 30, 2011

Total fund balances - governmental funds \$ 109,503,448

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in governmental funds. 108,466,370

Pension obligation paid above minimum required amounts is not a financial
resource and therefore not reported in governmental funds. 803,967

Property taxes receivable levied for the current and prior years and not
collected within sixty days of year-end are not available soon enough to
pay for the current period's expenditures, and, therefore, are reported as
deferred revenue in the funds. 933,825

An internal service fund is used to charge the costs of supplies to the
individual funds. The assets and liabilities of the internal service
fund are included with governmental activities. 8,701,760

Capital assets	\$ 3,720,708
Certificate of participation	(3,220,000)
Other	8,201,052
	<u>8,701,760</u>

Long-term liabilities are not due and payable in the current period
and therefore are not reported as liabilities in the funds. Long-term
liabilities at year end consist of:

OPEB liability	(609,603)
Bonds payable, net of current portion	(39,350,000)
Current portion of long term debt	(1,879,706)
Capital leases Payable, net of current portion	(948,926)
Accrued interest Payable (bonds)	(192,543)
Compensated absences payable	<u>(2,471,956)</u>
	<u>(45,452,734)</u>

Total net assets - governmental activities \$ 182,956,636

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

Fayette County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the fiscal year ended June 30, 2011

	Major Governmental Funds							Total Governmental Funds
	General	Fire District Fund	SPLOST County-Wide Roads CIP	SPLOST Roads Unincorporated	EMS District Fund	Criminal Justice Center Construction	Non-Major Governmental Funds	
Revenues:								
Taxes								
Property taxes	\$ 27,911,133	\$ 7,012,646	\$ -	\$ -	\$ 1,814,263	\$ -	\$ 309,537	\$ 37,047,579
Sales taxes	9,572,548	-	-	-	-	-	-	9,572,548
Other taxes	1,311,971	-	-	-	-	-	-	1,311,971
Special local option sales tax	-	-	133,039	27,528	-	-	-	160,567
Licenses and permits	451,172	-	-	-	-	-	-	451,172
Intergovernmental	589,296	-	-	23,752	-	-	967,047	1,580,095
Charges for services	1,918,207	49,658	-	-	1,738,282	-	1,863,871	5,570,018
Fines & forfeitures	1,435,496	-	-	-	-	-	3,025,977	4,461,473
Investment income	255,993	16,281	201,042	3,325	-	247	33,697	510,585
Miscellaneous revenues	543,735	33,940	-	-	209	20,941	539,252	1,138,077
Contributions/Donations	25,641	2,026	-	-	100	-	-	27,767
Total revenues	44,015,192	7,114,551	334,081	54,605	3,552,854	21,188	6,739,381	61,831,852
Expenditures:								
Current:								
General Government	8,038,927	-	-	-	-	-	-	8,038,927
Judicial System	4,785,091	-	-	-	-	8,180,116	494,593	13,459,800
Public Safety	18,696,332	7,306,060	-	-	2,837,568	-	4,022,500	32,862,460
Public Works	5,070,803	-	-	-	-	-	286,158	5,356,961
Health and Welfare	761,169	-	-	-	-	-	-	761,169
Culture/Recreation	1,796,242	-	-	-	-	-	121,630	1,917,872
Planning & Community Development	1,268,371	-	-	-	-	-	-	1,268,371
Capital outlay								
General Government	62,059	-	-	-	-	-	1,745,235	1,807,294
Judicial System	40,016	-	-	-	-	-	4,493	44,509
Public Works	26,267	-	4,575,137	55,698	-	-	-	4,657,102
Public Safety	36,110	8,993	-	-	2,708	-	2,831,363	2,879,174
Other/Culture/Recreation	11,250	-	-	-	-	-	-	11,250
Intergovernmental	-	-	-	23,752	-	-	-	23,752
Debt service - principal	864,247	-	-	-	-	-	-	864,247
Debt service - interest	1,306,503	-	-	-	-	-	-	1,306,503
Paying agent fees/bonds	450	-	-	-	-	-	-	450
Total expenditures	42,763,837	7,315,053	4,575,137	79,450	2,840,276	8,180,116	9,505,972	75,259,841
Excess (deficiency) of revenues over (under) expenditures	1,251,355	(200,502)	(4,241,056)	(24,845)	712,578	(8,158,928)	(2,766,591)	(13,427,989)
Other financing sources (uses):								
Transfers in	2,792,934	-	-	-	-	-	498,143	3,291,077
Transfers out	(1,780,977)	(24,500)	(537,865)	(4,520)	(4,200)	-	(306,881)	(2,658,943)
Proceeds from sale of capital assets	16,329	-	-	-	-	-	-	16,329
Total other financing sources (uses)	1,028,286	(24,500)	(537,865)	(4,520)	(4,200)	-	191,262	648,463
Net change in fund balance	2,279,641	(225,002)	(4,778,921)	(29,365)	708,378	(8,158,928)	(2,575,329)	(12,779,526)
Fund balances at the beginning of year	34,993,703	2,990,810	60,282,256	1,650,226	1,340,786	8,179,869	12,845,324	122,282,974
Fund balances at end of year	\$ 37,273,344	\$ 2,765,808	\$ 55,503,335	\$ 1,620,861	\$ 2,049,164	\$ 20,941	\$ 10,269,995	\$ 109,503,448

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

Fayette County, Georgia
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in
 Fund Balances with the Statement of Activities
 For the fiscal year ended June 30, 2011

Total net change in fund balances - governmental funds \$ (12,779,526)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. The cost of capital assets sold is recognized as an expense in the entity wide statements but not in the fund level statements

Depreciation expense	(6,613,932)
Capital outlays	10,293,286

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	7,695,000
--	-----------

Repayment of lease principal is an expenditure in the capital project funds, but the repayment reduces long-term liabilities in the statement of net assets.	907,501
--	---------

The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets.	(91,596)
--	----------

Other postemployment expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(243,320)
--	-----------

Changes in the net pension obligation that are a long-term asset are not recognized in the governmental funds.	803,967
--	---------

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid). Vacation and sick earned exceeded amounts paid by this amount.	(28,008)
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The net revenue (expense) of the Internal Service Funds is reported with the Governmental activities.	(2,686,036)
---	-------------

Property taxes levied for the current and prior years not collected within sixty days after the County's fiscal year ends, are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues related to prior years decreased by this amount this year.	933,825
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Long-term debt charges in the statement of activities differs from the amount reported in the governmental funds because charges are recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, charges are recognized as they accrue, regardless of when it is due.	
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Accrued Interest	58,379
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Change in net assets of governmental activities	\$ (1,750,460)
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The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2011

ASSETS	Major Enterprise Fund Water System	Non-Major Enterprise Fund Solid Waste	Total	Governmental Activities-Internal Service Funds
ASSETS				
Current Assets				
Unrestricted cash	\$ 11,432,563	\$ 1,237,824	\$ 12,670,387	\$ 1,958,836
Restricted cash	14,127,960	-	14,127,960	3,261,430
Unrestricted investments	-	-	-	3,017,725
Prepaid items	23,334	-	23,334	92,177
Accrued interest	-	80	80	28
Other receivables	2,119,655	13,059	2,132,714	507,530
Allowance for doubtful accounts	(125,000)	-	(125,000)	-
Inventory	561,788	-	561,788	-
Total current assets	<u>28,140,300</u>	<u>1,250,963</u>	<u>29,391,263</u>	<u>8,837,726</u>
Non-Current Assets				
Unamortized debt issue costs	282,611	-	282,611	188,384
Capital assets, net of accumulated depreciation				
Land	15,202,661	16,517	15,219,178	-
Improvements other than buildings	3,043,930	16,785	3,060,715	-
Infrastructure	49,618,659	-	49,618,659	-
Buildings and other structures	22,527,675	12,170	22,539,845	-
Machinery, equipment and vehicles	2,080,556	974	2,081,530	3,720,708
Construction in progress	15,816,581	-	15,816,581	-
Total capital assets	<u>108,290,062</u>	<u>46,446</u>	<u>108,336,508</u>	<u>3,720,708</u>
Total Non-Current Asset	<u>108,572,673</u>	<u>46,446</u>	<u>108,619,119</u>	<u>3,909,092</u>
Total Assets	<u>136,712,973</u>	<u>1,297,409</u>	<u>138,010,382</u>	<u>12,746,818</u>
LIABILITIES				
Current Liabilities				
Accounts payable	1,762,649	11,942	1,774,591	190
Contracts payable	647,878	-	647,878	-
Claims payable	-	-	-	824,868
Accrued interest payable	585,853	-	585,853	-
Salaries and benefits payable	128,256	1,407	129,663	-
Compensated absences	30,740	115	30,855	-
Unearned revenue	37,500	-	37,500	-
Current portion of long-term obligations	3,110,000	-	3,110,000	-
Total current liabilities	<u>6,302,876</u>	<u>13,464</u>	<u>6,316,340</u>	<u>825,058</u>
Long-Term Liabilities				
Compensated absences	126,956	1,106	128,062	-
Certificates of Participation	-	-	-	3,220,000
Bonds payable	51,755,466	-	51,755,466	-
Long-Term Liabilities, net of current portion	<u>51,882,422</u>	<u>1,106</u>	<u>51,883,528</u>	<u>3,220,000</u>
Total Liabilities	<u>58,185,298</u>	<u>14,570</u>	<u>58,199,868</u>	<u>4,045,058</u>
NET ASSETS				
Invested in capital assets, net of related debt	63,058,811	46,446	63,105,257	3,720,708
Restricted for:				
Debt service	7,557,031	-	7,557,031	3,220,000
Renewal & extension	6,570,929	-	6,570,929	-
Unrestricted	<u>1,340,904</u>	<u>1,236,393</u>	<u>2,577,297</u>	<u>1,761,052</u>
TOTAL NET ASSETS	<u>\$ 78,527,675</u>	<u>\$ 1,282,839</u>	<u>\$ 79,810,514</u>	<u>\$ 8,701,760</u>

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

Fayette County, Georgia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds

For the fiscal year ended June 30, 2011

	Major Enterprise Fund <u>Water System</u>	Non-Major Enterprise Fund <u>Solid Waste</u>	<u>Total</u>	Governmental Activites - Internal <u>Service Funds</u>
Operating revenues:				
Charges for sales and services	\$ 13,840,504	\$ 131,453	\$ 13,971,957	\$ -
Charges to other funds	-	-	-	3,588,240
Penalties	151,792	-	151,792	-
Miscellaneous	<u>296,771</u>	<u>8,929</u>	<u>305,700</u>	<u>1,612,074</u>
Total operating revenues	<u>14,289,067</u>	<u>140,382</u>	<u>14,429,449</u>	<u>5,200,314</u>
Operating expenses:				
Personal services	1,746,004	40,762	1,786,766	-
Contractual services	1,223,910	57,401	1,281,311	352,492
Other operating	225,123	16,834	241,957	6,965,649
Water production cost	3,271,187	-	3,271,187	-
Amortization	92,783	-	92,783	11,082
Depreciation	4,368,612	9,522	4,378,134	909,567
Closure/post closure care	-	<u>39,287</u>	<u>39,287</u>	-
Total operating expenses	<u>10,927,619</u>	<u>163,806</u>	<u>11,091,425</u>	<u>8,238,790</u>
Operating income (loss)	<u>3,361,448</u>	<u>(23,424)</u>	<u>3,338,024</u>	<u>(3,038,476)</u>
Non-operating activities				
Interest income	3,748	1,804	5,552	85,553
Miscellaneous	43,536	-	43,536	224,987
Interest expense (including amortization of bond discount)	(2,408,479)	-	(2,408,479)	(15,314)
Loss on disposition of equipment	-	-	-	<u>(16,709)</u>
Total non-operating activities	<u>(2,361,195)</u>	<u>1,804</u>	<u>(2,359,391)</u>	<u>278,517</u>
Income before capital contributions and transfers	<u>1,000,253</u>	<u>(21,620)</u>	<u>978,633</u>	<u>(2,759,959)</u>
Capital contributions and transfers				
Capital contributions	379,232	-	379,232	-
Transfers in	-	-	-	73,923
Transfers out	<u>(700,785)</u>	<u>(5,272)</u>	<u>(706,057)</u>	-
Total capital contributions and transfers	<u>(321,553)</u>	<u>(5,272)</u>	<u>(326,825)</u>	<u>73,923</u>
Change in Net Assets	678,700	(26,892)	651,808	(2,686,036)
Net Assets, beginning of year	<u>77,848,975</u>	<u>1,309,731</u>	<u>79,158,706</u>	<u>11,387,796</u>
Net Assets, end of year	<u>\$ 78,527,675</u>	<u>\$ 1,282,839</u>	<u>\$ 79,810,514</u>	<u>\$ 8,701,760</u>

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

Fayette County, Georgia
Statement of Cash Flows
Proprietary Funds

For the fiscal year ended June 30, 2011

	<u>Major Enterprise Fund</u> Water	<u>Non-Major Enterprise Fund</u> Solid Waste	<u>Enterprise Fund</u> Total	<u>Governmental Activities</u> Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 13,989,522	\$ 134,637	\$ 14,124,159	\$ 3,588,240
Cash received from others	-	8,472	8,472	1,612,074
Cash payments to suppliers for goods and services	(4,456,168)	(140,085)	(4,596,253)	(352,644)
Cash payments to employees for services	(1,723,127)	(43,303)	(1,766,430)	(7,018,499)
Net cash provided (used) by operating activities	<u>7,810,227</u>	<u>(40,279)</u>	<u>7,769,948</u>	<u>(2,170,829)</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds	-	-	-	298,910
Transfers out to other funds	(700,785)	(5,272)	(706,057)	-
Net cash provided (used) by noncapital financing activities	<u>(700,785)</u>	<u>(5,272)</u>	<u>(706,057)</u>	<u>298,910</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(5,622,893)	-	(5,622,893)	(299,513)
Capital contributions	379,232	-	379,232	-
Payment of Interest on Certificates of Participation	-	-	-	(15,314)
Reduction of Certificates of Participation	-	-	-	(3,017,725)
Principal paid on revenue bonds and loans	(2,890,000)	-	(2,890,000)	-
Payment of bond interest	(2,406,886)	-	(2,406,886)	-
Net cash (used) by capital and related financing activities	<u>(10,540,547)</u>	<u>-</u>	<u>(10,540,547)</u>	<u>(3,332,552)</u>
Cash flows from investing activities:				
Interest on investments	3,748	1,804	5,552	85,553
Net cash provided by investing activities	<u>3,748</u>	<u>1,804</u>	<u>5,552</u>	<u>85,553</u>
Net decrease in cash and cash equivalents	<u>(3,427,357)</u>	<u>(43,747)</u>	<u>(3,471,104)</u>	<u>(5,118,918)</u>
Cash and cash equivalents at beginning of year	<u>28,987,880</u>	<u>1,281,571</u>	<u>30,269,451</u>	<u>10,339,184</u>
Cash and cash equivalents at end of year	<u>\$ 25,560,523</u>	<u>\$ 1,237,824</u>	<u>\$ 26,798,347</u>	<u>\$ 5,220,266</u>
Classified as:				
Unrestricted cash	11,432,563	1,237,824	12,670,387	1,958,836
Restricted cash	14,127,960	-	14,127,960	3,261,430
	<u>\$ 25,560,523</u>	<u>\$ 1,237,824</u>	<u>\$ 26,798,347</u>	<u>\$ 5,220,266</u>

Continued on next page

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

Fayette County, Georgia
Statement of Cash Flows
Proprietary Funds

For the fiscal year ended June 30, 2011

	Major Enterprise Fund Water	Non-Major Enterprise Fund Solid Waste	Enterprise Fund Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to cash provided (used) by operating activities:				
Operating income (loss)	\$ 3,361,448	\$ (23,424)	\$ 3,338,024	\$ (3,038,476)
Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities:				
Depreciation expense	4,368,612	9,522	4,378,134	909,567
Amortization expense	92,783	-	92,783	11,082
Decrease/(Increase) in accounts receivable	(303,545)	3,184	(300,361)	-
Decrease in Inventory	22,133	-	22,133	-
Decrease in accounts payable	(170,429)	(27,020)	(197,449)	(2,199)
Increase/(decrease) in salaries and benefits payable	22,877	(2,541)	20,336	-
Increase in prepaid items	(15,436)	-	(15,436)	(512,340)
Increase in contracts payable	427,784	-	427,784	-
Increase in unearned revenue	4,000	-	4,000	-
Estimated claims payable	-	-	-	461,537
Total adjustments	4,448,779	(16,855)	4,431,924	867,647
Net cash provided (used) by operating activities	\$ 7,810,227	\$ (40,279)	\$ 7,769,948	\$ (2,170,829)
 Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ -	-		

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

Fayette County, Georgia

Statement of Fiduciary Funds Assets and Liabilities

June 30, 2011

	Totals <u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>1,828,883</u>
Total Assets	\$ <u><u>1,828,883</u></u>
Liabilities	
Due to Others	\$ 1,706,278
Tax Protest/Bankruptcy	<u>122,605</u>
Total Liabilities	\$ <u><u>1,828,883</u></u>

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



Where Quality Is A Lifestyle

NOTES TO THE FINANCIAL STATEMENTS

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2011

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Fayette County, Georgia
Notes to the Financial Statements
June 30, 2011

Note I – Summary of Significant Accounting Policies

The financial statements of Fayette 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 significant accounting policies of Fayette County are described below.

A. Reporting Entity

Fayette County, Georgia (the “County”) was established in 1821 and is a body corporate and politic organized and existing under the Constitution and laws of the State of Georgia. The County operates under a Commission-Administrator form of government and provides the following services as authorized by its charter: Public Safety, Public Works, Culture, Recreation, Community Services, and other General Government Services.

The governing authority of the County is a Board of Commissioners, consisting of five part-time members, who serve for four-year staggered terms. The Board appoints the County Administrator, who serves as the County’s chief administrative officer. The County Administrator is responsible for the daily operations of all County functions in accordance with the policies of the Board of Commissioners.

As required by generally accepted accounting principles, these financial statements present Fayette County, Georgia and its’ component units, entities for which the government is considered to be financially accountable. The discretely presented component units are reported in a separate column in the Government-wide financial statements to emphasize that they are legally separate from the County. Each of these governmental entities also has a fiscal year ending June 30.

Blended Component Unit. Blended component units, although legally separate entities, are in substance, part of the Government’s operations.

The Fayette County Public Facilities Authority is governed by a three-member board appointed by the County’s Board of Commissioners. Although it is legally separate from the County Government, the Public Facilities Authority is reported in the CAFR as if it were part of the primary government because it serves as a financial conduit for debt issued to construct/maintain public buildings and related projects. This authority is reported as the Criminal Justice Center Capital Projects Funds, which is a nonmajor governmental fund. No separate financial statements are issued by the Fayette County Public Facilities Authority.

Discretely Presented Component Units. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government.

The Fayette County Development Authority is responsible for promoting industrial and commercial development within Fayette County. The Board of Commissioners appoints the members of the Authority’s governing board to staggered terms. The Development

A. Reporting Entity- Continued

Authority is responsible for adopting its own annual budget and making its own operating decisions. However, Fayette County does provide substantial financial support each year and has contractually obligated itself to use its taxing power to guarantee the repayment of principal and interest on certain industrial revenue bonds issued by the Authority. The Fayette County Development Authority is presented as a governmental fund type.

The Fayette County Department of Public Health is responsible for providing environmental and physical health services to the citizens of Fayette County. The Board of Commissioners appoints the majority of the members of the Health Department's governing board. The Board of Commissioners reviews the proposed annual budget of the Health Department and makes a decision as to the County's funding contribution level for each fiscal year.

The County also provides this entity with free office space at the Stonewall Village Administrative Complex. The Fayette County Department of Public Health is presented as a governmental fund type. Complete financial statements for each of the individual component units can be obtained at the entity's administrative office. Their addresses are shown below:

Fayette County Development Authority	Fayette County Department of Public Health
200 Courthouse Square	140 Stonewall Ave, W, Suite 107
Fayetteville, Georgia 30214	Fayetteville, Georgia 30214

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

Government-wide Financial Statements

Government-wide financial statements (i.e. the statement of net assets and the statement of activities) display information about the reporting government as a whole, except for its fiduciary activities. These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

The government-wide financial statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. 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 the support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. Program revenues include charges for services, fines and forfeitures, and payments made by parties outside of the reporting government's citizenry if the money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation-Continued

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and proprietary funds. The fiduciary fund statements include financial information for the agency funds. These funds represent assets held by the County in a custodial capacity for individuals or other governments.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Governmental funds are used to account for the County's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period. Fayette County considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual. Sales taxes collected and held by the State of Georgia at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation-Continued

Entitlements and shared revenues are recorded at the time of receipt or earlier if susceptible to accrual criteria. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant eligibility requirements have been met.

Major governmental funds include:

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

The *Fire District Special Revenue Fund* accounts for fire protection within the fire district. Financing is derived principally from a special tax levy against property owners.

The *SPLOST County Wide Roads Construction in Progress Fund* accounts for the construction of roads, streets, and bridges within the county. Financing is derived from a 1% Special Purpose Local Option Sales Tax passed by voter referendum on November 2, 2004.

The *SPLOST Road Unincorporated Capital Projects Fund* accounts for the construction of roads in unincorporated Fayette County. Financing is derived from a 1% Special Purpose Local Option Sales Tax passed by voter referendum on November 2, 2004. The tax began April 1, 2005 and continued through March 31, 2010.

The *EMS District Special Revenue Fund* accounts for emergency services within the EMS district. Financing is derived principally from a special tax levy against property owners.

The *Criminal Justice Center Construction Fund* accounts for funds to construct a new justice center.

Additionally, the government reports the following fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The *Capital Projects Funds* account for the acquisition of capital assets or construction of capital projects not being financed by proprietary fund types.

Proprietary Funds are accounted for on the flow of economic resources management focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the County has chosen to apply all GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 to account for proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 County's proprietary funds are charges to customers for sales and services. Operating expenses for these funds include the cost of

B. Measurement Focus, Basis of Accounting, and Basis of Presentation-Continued

sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses and capital contribution.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when the service is received and the related liability is incurred. All utility service receivables are recorded at year end.

Major proprietary funds include:

Water System Fund accounts for the County's water system's operations serving approximately 27,698 customers in unincorporated County and through the System owned distributions in Peachtree City, Tyrone, Woolsey, Brooks and Fayetteville.

Other proprietary funds include:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Solid Waste is the other County proprietary fund.

Internal Service Funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The County uses the following Internal Service Funds: Worker's Compensation, Medical, Dental and Vision Self-Insurance Funds, and Vehicle Replacement Fund.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that Fayette County holds for others in an agency capacity. The County's combining statements of Fiduciary Funds are located on pages 88-89. Fayette County's agency funds are:

Tax Commissioner – to account for the billing, collection and remittance of taxes to the County, Board of Education, Municipal Governments, and the State of Georgia

Sheriff – to account for the collection and remittance of fines, costs, and bond forfeitures to the County

Juvenile Court – to account for the collections of fines and settlements and subsequent remittance to the applicable parties

Magistrate Court – to account for the collection of charges for court costs, filings, and settlements and the subsequent remittance to the applicable parties

Probate Court – to account for the collections of fines and settlements and the subsequent remittance to the applicable parties

B. Measurement Focus, Basis of Accounting, and Basis of Presentation-Continued

State Court – to account for the collection of charges for the court costs, filings and settlements and the subsequent remittance to the applicable parties

Superior Court – to account for the collection of charges for court costs, filings and settlements and the subsequent remittance to the applicable parties

Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section of this report.

Policy for Eliminating Internal Activity

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and the other charges between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Non-current Government Assets/Liabilities – GASB Statement 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net assets.

C. Assets, Liabilities, Equity, and Revenues

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, funds on deposit in the Georgia Fund 1 State Investment Pool, and other short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the Proprietary Fund Statement of Cash Flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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

C. Assets, Liabilities, Equity, and Revenues-continued

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the County reports investments at fair value. Money market investments and those investments, which had a remaining maturity at the time of purchase of one year or less are recorded at amortized cost or cost plus accrued interest, which approximates fair value. The fair value of investments in the Georgia Fund 1 State Investment Pool is equal to cost.

The fair value of all other investments was calculated using quoted market prices because these prices have been determined to be the most reliable and verifiable and are the most understood by investors, creditors and other users of financial information. All investment income, changes in the fair value of investments, has been reported as revenue in the operating statements.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payables" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances between governmental activities and the business type activities are reported on the government-wide financial statements as "internal balances".

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible. The allowance for uncollectible on receivable balances represent estimates based on historical collection rates and account balance aging reports.

Property taxes were levied and billed on September 1, 2010. The billings are considered due upon receipt; however, the actual due date is based on a period ending 60 days after the tax bill mailing. On November 16, 2010, the bills became delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County. The Tax Commissioner bills and collects those property taxes levied by the County, the Fayette County Board of Education, the municipalities located within the County and the State of Georgia. Collections and remittances to the County and other governmental agencies are accounted for in an agency fund.

All property taxes levied for the current and any previous years, but not received as of June 30, 2011, are shown as property taxes receivable at that date. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, have been deferred.

A water receivable has been recorded for services rendered but not billed at June 30, 2011, net of allowance for doubtful accounts of \$125,000. The receivable was computed using the cycle billings sent to customers in July and prorating the charges based on the days applicable to the current period.

C. Assets, Liabilities, Equity, and Revenues-continued

3. Inventories and Prepaid Items

Inventories in the Water System enterprise fund are valued at cost, which approximates market using the first-in, first-out method. Inventories primarily consist of pipe and fittings intended for use in construction of line extensions and to support the maintenance work on the system. In addition, other materials and supplies are maintained to service the vehicles and equipment used in system operations. Costs are expensed when incurred (i.e. the purchases method).

Prepaid items represent payments made to vendors for which the benefits are applicable to future accounting periods. Since these assets represent financial resources that are not available for current appropriation or expenditure from the governmental fund types, there is a corresponding reservation of the respective fund's fund balance. Prepaids are recorded using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

4. Restricted Assets

Certain proceeds of the Water System Enterprise Fund revenue bonds, as well as certain resources set aside for their payment are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in constructions. The "revenue bond sinking fund" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond debt service reserve" account is used to report resources set aside to subsidize the potential future deficiencies in the revenue bond sinking fund account. The "revenue bond renewal and extension" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

5. Capital Assets

Capital assets used in governmental fund types of the county are reported in the applicable governmental or business-type activities column in the government-wide financial statements at cost or estimated historical cost if purchased or constructed. Capital assets include property, plant and equipment. Public domain (infrastructure) assets consist of certain improvements other than buildings such as roads, bridges and sidewalks.

Capital assets, other than infrastructure assets, are defined by the County as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or do not substantially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements, including infrastructure assets, are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

C. Assets, Liabilities, Equity, and Revenues-continued

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Classification</u>	<u>Years</u>
Building Improvements	10
Buildings	40
Computer Equipment	5
Infrastructure	15-40
Office Equipment	5
Vehicles	7-15

6. Compensated Absences

County employees are granted vacation, compensatory, holiday, and sick leave in varying amounts. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to a specified maximum number of hours. Compensatory and holiday leave is accumulated based on departmental discretion of need. In the event of termination of employment, an employee is paid for accrued annual, compensatory, and holiday leave days. In addition, regular full-time employees hired before March 1, 1998, with three or more years of service who resign in good standing or retire from service with the County are paid at the rate of \$15 for each day of unused sick leave up to a maximum of \$900.

Vacation, compensatory, holiday and termination sick leave pay are accrued when incurred in proprietary funds and reported as a fund liability. On the government-wide statements, vacation, compensatory, holiday, and termination sick leave pay is accrued and reported as a liability for the governmental activities similar to business-type activities. Vacation, compensatory, holiday, and termination sick leave pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental funds that are responsible for payment.

7. Long-term Obligations

The County reports long-term debt of governmental funds on the statement of net assets. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

C. Assets, Liabilities, Equity, and Revenues-continued

8. Net Assets/ Fund Equity

The carrying amount of capital assets less related outstanding debt is reported as a component of net assets called capital assets net of related debt. Restricted net assets reflect amounts restricted by contracts, laws and regulations for specific purposes such as amounts that have been accumulated in the debt service accounts as well as working capital reserve as described in the bond resolutions.

For the fiscal year ended June 30, 2011 the County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The requirements of this statement are effective for financial statement periods beginning after June 15, 2010. GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and it clarifies the existing governmental fund type definitions. It 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 resources reported in the governmental funds. In the fund financial statements, governmental funds report balances that are allocated to the following components:

Nonspendable fund balances represent residual equities (assets) that cannot be spent because they are not in spendable form.

Restricted fund balances represent residual equities that are available for use but which have external enforceable legal restrictions as to how these resources may be used.

Committed fund balances represent amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners.

Assigned fund balances represent resources whose use is constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balances represent resources which have not been classified as nonspendable, restricted, committed, or assigned.

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

9. Capital Contributions

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the County has recorded capital contributions received by the Water System enterprise fund as capital contributions revenue. Capital contributions include amounts received from Federal, State and other governments for aid in construction and development of the Water System. Also included are amounts received from real estate sub-dividers for water line extensions built by sub-dividers and contributed to the Water System, both of which are capitalized as part of the water system's capital assets. It also includes amounts received for meter, connection and tap fees from sub-dividers and other customers. The actual cost of meter installations has been capitalized as part of the water distribution system.

C. Assets, Liabilities, Equity, and Revenues-continued

In the solid waste enterprise fund, the County has recorded the transfers of plant, property and equipment (net of depreciation) as capital contributions. In addition, some monies received from the operator of the landfill to help offset the costs of water and methane gas monitoring is also recorded as capital contributions.

NOTE II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The applicable statutes of the State of Georgia require Fayette County to operate under an annual balanced budget adopted by resolution. A budget is defined as being balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. Because the Board of Commissioners adopts each of its operating budgets at the department level, the applicable State statutes require that total expenditures not exceed the total amount of appropriations at the individual department level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and all of the special revenue funds. Operating budgets are not prepared for the internal service funds or the agency funds. Expenditures for those funds are controlled by legal use restrictions imposed by ordinances. For administrative control purposes, cash flow budgets are adopted for each of the enterprise funds.

Project-length plans are adopted for the capital projects funds. The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

1. In April of each year, all departments submit requests for appropriation to the County Administrator so that an annual operating budget can be prepared. The budget is prepared by fund, function and department, and includes information on the past year, current year estimates and requested appropriation amounts for the next fiscal year.
2. Prior to May 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the general fund, special revenue funds, and library SPLOST fund.
3. In late May and early June, public hearings are conducted to obtain taxpayer comments about the proposed budget.
4. Prior to July 1, the budget is legally enacted through the passage of an appropriation ordinance by the Commission.

Operating budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of control (i.e. the level at which the governing body must approve any over expenditures of appropriations or transfers of appropriated amounts) for each legally adopted annual operating budget for Fayette

A. Budgetary Information-Continued

County, Georgia is at the departmental level within each fund. Unexpended appropriations lapse at year-end.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances lapse at year end and are reappropriated on the ensuing year's budget.

Formal budget integration is employed as a management control device during the year for the general fund, special revenue funds, and library SPLOST fund. Individual budgets and actual statements are presented for these funds at the department level. To help ensure that each department keeps their spending during the year within its total approved appropriations amount, certain internal administrative controls are utilized. County department heads are authorized to approve budget transfers between the various line item expenditure accounts within their departments. All other transfers or supplemental appropriations, which change the total budget for a departmental cost center, must be approved by the Board of Commissioners. During the 2011 fiscal year, several supplementary appropriations were necessary.

In the General Fund, total budget adjustments made during the fiscal year resulted in a net change as follows:

Budget Adjustments	
Increase Revenues	\$ 114,612
Decrease Expenditures	(540,341)
Decrease Other Financing Uses	<u>(1,522,752)</u>
Total Net Change	<u>\$(1,948,481)</u>

B. Debt Service and Sinking fund Requirements on Water Revenue Bonds

1. Sinking Fund Requirements

The bond resolutions require the creation and maintenance of a sinking fund that is to be used to pay the principal and interest on the revenue bonds as they become due. The bond resolutions specifically require that monies be deposited monthly into the sinking fund until such time that sufficient funds are on hand to pay the semi-annual interest payments and the bonds as they mature.

During fiscal year ended June 30, 2011, \$6,131,157 was paid from the revenue fund into the sinking fund (including the debt service reserve account) with required debt and interest payments made from the sinking funds when due.

2. Debt Service Reserve

The bond resolutions require the creation and maintenance of a debt service reserve within the sinking fund. According to the resolutions, monies are to be transferred each month from the revenue fund to the reserve so that the reserve will be fully funded in an

2. Debt Service Reserve-Continued

amount equal to \$5,553,579 by September 1, 2014. The debt reserve balance at June 30, 2011 is \$ 4,523,051, the sinking fund balances are \$ 3,033,979, for a debt service total of \$7,557,030, which is shown as restricted cash in the proprietary funds.

3. Renewal and Extension Fund

After the monthly operating and maintenance expenses have been paid and the required debt service transfers have been made, all monies remaining in the revenue fund in excess of a working capital reserve (in an amount not to exceed one month's estimated operating and maintenance expenses) are to be transferred to the renewal and extension fund. The bond resolutions restrict disbursements from this fund to the following:

- a. Paying principal and interest on any revenue bonds falling due when there are insufficient funds in the sinking fund to make the payment.
- b. Emergency expenditures if there are insufficient fund in the revenue fund (operating account).
- c. Replacements, additions, extensions, and improvements to the system in the best interests of the county and bondholders.
- d. Payments of investment services for the investment of monies held in the renewal and extension fund (renewal and extension account).
- e. The transfer of moneys, if any required, pursuant to the arbitrage rebate provision of the bond resolution.

4. Rates and Fee Requirements

In accordance with the bond resolutions, the water system's schedule of rates, fees, and charges for services shall be maintained at such a level so as to produce net revenues (after payment of reasonable and necessary cost of operating and maintaining the system) equal to at least 1.20 times the amount required to be paid in to the sinking fund and the debt service reserve in the current sinking fund year. This ratio is computed annually. For the year ended June 30, 2011, the County was in compliance with this requirement.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments

1. Cash Deposits

At June 30, 2011, the carrying amount of the County's deposits and investments was \$145,040,779. The bank balance is \$146,692,512. All of the County's deposits were covered either by FDIC coverage or collateralized with securities held by the County's agent in the County's name. Fiduciary funds had a carrying value of \$1,828,883 and bank balance of \$3,464,528.

The blended component units' bank balances are presented as part of the governmental activities column on the government-wide statement. Fiduciary funds are shown separately; see pages 86-87, for a detail of the agency accounts. Fayette County's

1. Cash Deposits-Continued

agency funds are: Tax Commissioner, Sheriff, and Juvenile, Magistrate, Probate, State, and Superior Courts (elected officials of Fayette County).

State statutes and bond resolutions require that all deposits be collateralized by depository insurance; obligations of the United States or certain obligations guaranteed by the U.S. Government; obligations of the State of Georgia; and obligations of other counties, municipal corporations and subdivisions of the State of Georgia. The collateral pledged by the banks' trust department in the County's name is composed of various bonds of the U.S. Government Agencies and bonds of public authorities, counties and municipalities of the State of Georgia.

2. Investments

The investment program is established in accordance with the County's investment policy which was adopted by the County Commission in compliance with the provisions of Georgia Code Section 36-83-4 and in accordance with the County's policies and written procedures. The County's investment guidelines permit the investment of County funds in the Georgia Fund, United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Time Deposits (Certificates of Deposit) and Savings Accounts of financial institutions that are Qualified Public Depositories, and Money Market Funds.

Georgia Fund 1, which was created by the Official Code of Georgia Annotated ("OCGA") 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAA rated market funds. However, Georgia Fund 1 operates in a manner consistent with a Rule 20-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Georgia Fund 1 is not registered with the Securities and Exchange Commission as an investment company. The Georgia Office of Treasury and Fiscal Services is the regulatory oversight agency of Georgia Fund 1. Georgia Fund 1's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed on \$1.00 per share.

The County utilizes an external investment manager to actively manage a portion of assets. Performance is measured in total return against the 1-3 Year U.S. Treasury/Agency benchmark. The County utilizes two investment portfolios with the external manager, an enhanced cash portfolio with a duration of less than a year, and a core portfolio with a duration strategy between 1.5 and 2.0 years. This dual portfolio strategy is structured to manage interest rate volatility. All assets managed by the external manager are held in custody with the Bank of New York in the County's name. As of June 30, 2011 all assets within the externally managed portfolios are rated AAA.

Asset Allocation. The County's assets are invested in accordance with Georgia Code and the County's investment policy. The chart below presents the security type and maturity distribution for all assets as of June 30, 2011 and presented in Fair Value as reported by the County's Cutwater Asset Management, the Georgia Fund 1, Bank of New York and Wachovia's respective June 30, 2011 month end statements.

2. Investments-Continued

Portfolio Maturity Distribution							
	Less than						Percent of
	1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Total	Assets
Percent of Assets	69.92%	14.01%	13.87%	1.47%	0.73%		
Agency	\$ -	\$ 1,698,357	\$ -	\$ 806,521	\$ 427,102	\$ 2,931,980	2.35%
FDIC	6,825,543	3,574,153	-	-	-	10,399,696	8.35%
FFCB	3,217,356	2,017,122	349,627	-	481,676	6,065,781	4.87%
FHLB	2,656,116	493,620	1,309,576	519,061	-	4,978,373	4.00%
FHLMC	3,013,677	596,796	2,077,902	-	-	5,688,375	4.57%
FNMA	380,156	1,510,532	1,818,729	500,006	-	4,209,423	3.38%
MMKT	1,253,693	-	-	-	-	1,253,693	1.01%
UST	5,537,045	7,563,135	11,726,996	-	-	24,827,176	19.93%
Georgia Fund 1	41,104,268	-	-	-	-	41,104,268	32.99%
Bank of New York	3,261,430	-	-	-	-	3,261,430	2.62%
Wells Fargo	16,380,258	-	-	-	-	16,380,258	13.15%
Fiduciary Funds	3,464,528	-	-	-	-	3,464,528	2.78%
Total Assets	\$ 87,094,070	\$ 17,453,715	\$ 17,282,830	\$ 1,825,588	\$ 908,778	\$ 124,564,981	

As of June 30, 2011, the carrying value of the Water System's deposits was \$25,560,523 and bank balances are as follows:

Portfolio Maturity Distribution							
	Less than						Percent of
	1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Total	Assets
Percent of Assets	100.00%	0.00%	0.00%	0.00%	0.00%		
Georgia Fund 1	7,659,130	-	-	-	-	7,659,130	29.93%
Bank of New York	7,557,031	-	-	-	-	7,557,031	29.53%
Wells Fargo	10,375,898	-	-	-	-	10,375,898	40.54%
Total Assets	\$ 25,592,059	\$ -	\$ -	\$ -	\$ -	\$ 25,592,059	

Primary Government's Investment Policy:

Fayette County's policy establishes a framework for implementing such safeguards, authorized particular types of allowable investment instruments, and creates oversight responsibilities of investment activities. The overriding purpose of this policy is to acknowledge clearly that any investment instrument or decision carries with it certain elements of risks. There are, however, numerous safeguards that can be instituted to minimize such risks while endeavoring to earn a market rate of return.

2. Investments-Continued

Fayette County's investment objectives in order of priority are: (1) safeguard the principal, (2) provide the liquidity required to meet financial obligations in a timely manner, and given these two goals, (3) provides the best return on investment.

Funds of Fayette County will be invested in compliance with the provisions of Georgia Code Section 36-83-4 and in accordance with these policies and any written administrative procedures. Certain funds have outstanding bond issues which have specific investment policies contained within the bond ordinances and official statements. Those policies will be adhered to and are not in conflict with the terms of this policy.

Acceptable investments, set forth in Georgia Code section 36-83-4 are:

- Obligations of the State of Georgia or of other states
- Obligations issued by the U.S. Government: U.S. Treasury Bills, U.S. Treasury Notes, U.S. Treasury Bonds
- Obligations fully insured or guaranteed by the U.S. Government or a U.S. Government Agency
- Repurchase agreements backed by the U.S. Government or U.S. Government Agency
- Prime Banker's Acceptances; that are eligible for purchase by the Federal Reserve bank and have a Letter of Credit rating of A+ or better
- Local Government Investment Pool (LGIP)
- Obligations of Other Political Subdivisions of the State of Georgia
- Time deposits and savings deposits of banks organized under the laws of Georgia or the U.S. Government and operating in Georgia

The following guidelines represent maximum limits established for diversification by instrument by the Fayette County Board of Commissioners:

• U.S. Treasury Obligations	100%
• U.S. Government Agency Securities and Securities Issued by Instrumentalities of Government Sponsored Corporations	50%
• Repurchase Agreement	25%
• Prime Banker's Acceptances	10%
• Local Government Investment Pool	100%
• Certificates of Deposit	
• Obligations of other political subdivisions of the State of Georgia	25%

Interest Rate Risk. The County employs multiple investment duration and investment management strategies which seek to minimize the County's portfolio interest rate risk. Interest rate risk measures the change in value of an investment or portfolio as a result of changes in interest rates.

As a means of limiting exposure to fair value losses arising from rising interest rates, the County's Policy limits the investment of operating funds to investments with a stated maturity of no more than 5 years from the date of purchase.

2. Investments-Continued

The County maintains liquidity in overnight investments vehicles for short term expenditures and remaining assets are invested in short term securities with maturity limitations and by security type for the entire portfolio. The investment program is designed to diversify and minimize changes in market price as interest rates change.

The County's overnight investments, including demand deposit accounts and money market funds and have an effective duration of 1 day (0.003 years). The County's externally managed assets have a duration of 470 days (1.29 years). The total portfolio has a weighted average effective duration is .696 years (254 days). This multiple portfolio duration strategy seeks to limit the risk associated with losses associated with interest rate movements while providing liquidity to meet expenditures.

Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities. All bond proceeds are invested with the primary focus of safety of principal and structured to provide liquidity to meet project expenditures.

Custodial Risk. The County's demand deposit balance of \$16,380,258 is invested with Wells Fargo Bank. The County also has a balance of \$3,261,430 in AAAm rated money market funds at the Bank of New York. The County also has \$41,104,268 invested with the Georgia Fund 1. The County also utilizes an external investment manager that manages investments that have a total market value balance of \$60,355,508 as reported by the County's Cutwater Asset Management monthly statements for month ended June 30, 2011.

The County's externally managed open market security investments are held with a third party custodian in accordance with Georgia Code. The County's investment holdings are designated as assets of the County in separate accounts in the County's name.

Credit Risk. Credit risk relates to the ability of the issuer's ability to pay interest and principal. One measure of the perceived credit risk of an issuer is the credit rating. The County's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA money market funds, AAA rated agency notes, AAA rated Government Sponsored Enterprises, AAA Federal Deposit Insurance Corp backed notes and U.S. Treasuries.

To further minimize credit risk the County's investment policy also provides asset allocation limits for each security type. Issuer limits are provided for each investment type with the exception of U.S. Treasuries which have a 100% permitted allocation.

The securities within the County's investment portfolios are in compliance and meet the minimum rating requirements and asset allocation limits.

B. Capital Assets

Capital assets for the County for the fiscal year ended June 30, 2011, are shown in the following tabulation:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 9,060,705	\$ -	\$ -	\$ 9,060,705
<i>Capital assets being depreciated:</i>				
Buildings and Structures	73,898,558	-	(88,585)	73,809,973
Infrastructure	293,660,183	8,243,878	-	301,904,061
Improvements other than buildings	9,543,574	-	(7,600)	9,535,974
Machinery and Equipment	17,470,552	2,167,504	(187,428)	19,450,628
Vehicles	12,214,922	181,418	(261,877)	12,134,463
Total Governmental assets being depreciated	406,787,789	10,592,800	(545,490)	416,835,098
Less accumulated depreciation for:				
Buildings and Structures	19,065,556	2,106,099	(56,284)	21,115,371
Infrastructure	262,071,093	3,369,707	-	265,440,800
Improvements other than Buildings	2,657,767	461,215	(7,600)	3,111,382
Machinery and Equipment	14,958,035	651,478	(184,442)	15,425,071
Vehicles	7,917,440	935,000	(236,338)	8,616,102
Total accumulated depreciation	306,669,891	7,523,499	(484,664)	313,708,726
Governmental activity capital assets, net	<u>\$ 109,178,603</u>	<u>\$ 3,069,301</u>	<u>\$ (60,826)</u>	<u>\$ 112,187,078</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 15,217,178	\$ 2,000	\$ -	\$ 15,219,178
Construction in Process	11,425,925	5,630,219	(1,239,563)	15,816,581
<i>Capital assets being depreciated:</i>				
Buildings and Structures	43,941,530	-	-	43,941,530
Infrastructure	80,969,777	1,160,395	-	82,130,172
Improvements other than buildings	11,250,346	-	-	11,250,346
Machinery and Equipment	9,269,034	101,128	-	9,370,162
Total Business-type assets being depreciated	145,430,687	1,261,523	-	146,692,210
Less accumulated depreciation for:				
Buildings and Structures	19,830,430	1,571,254	-	21,401,684
Infrastructure	30,359,749	2,151,765	-	32,511,514
Improvements other than Buildings	7,879,428	310,203	-	8,189,631
Machinery and Equipment	6,943,720	344,912	-	7,288,632
Total accumulated depreciation	65,013,327	4,378,134	-	69,391,461
Business-type activity capital assets, net	<u>\$ 107,060,463</u>	<u>\$ 2,515,608</u>	<u>\$ (1,239,563)</u>	<u>\$ 108,336,508</u>

B. Capital Assets-Continued

Depreciation expense was charged to functions as follows:

Government-type assets:	<u>Current Provision</u>	<u>Accumulated Depreciation</u>
General Government	\$ 4,873,988	\$ 285,103,608
Judicial System	7,081	270,362
Public Safety	1,080,378	11,862,510
Public Works	67,186	632,329
Planning & Community Development	6,190	38,080
Parks, Recreation, & Culture	579,109	4,665,214
Total Governmental-type assets	<u>6,613,932</u>	<u>302,572,103</u>
Internal Service Fund	909,567	11,136,623
Total	<u>\$ 7,523,499</u>	<u>\$ 313,708,726</u>

The cost of capital assets acquired through a capital lease program totaled \$7,933,141; \$6,603,899 in buildings and structures class and \$1,329,242 in machinery and equipment class. The future lease payments are included in Note D.

C. Interfund Receivables and Payables

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues. Interfund transfers for the year ended June 30, 2011 consisted of the following amounts:

Major Governmental Funds Transfers:

Transfers from General Fund		
To:	Non-Major Special Revenue Funds	\$ 270,689
	Non-Major Capital Project Funds	1,500,592
	Internal Service Funds	<u>9,696</u>
	Total	<u>\$1,780,977</u>

Transfers from Fire Fund		
To:	Non-Major Special Revenue Funds	\$ 24,500
	Total	

Transfer from Emergency Medical Services Fund		
To:	Non-Major Special Revenue Funds	\$ 4,200

Transfer from SPLOST County-Wide		
To:	General Fund	\$ 537,865

Transfer from SPLOST Unincorporated		
To:	General Fund	\$ 4,520

Non-Major Governmental Funds

Transfer from Non-Major Special Revenue Funds		
To:	General Fund	\$ 18,955

C. Interfund Receivables and Payables-Continued

Transfer from Non-Major Capital Project Funds		
To:	General Fund	\$ 1,525,536
To:	Non-Major Capital Project Funds	188,162
To:	Internal Service Funds	<u>64,228</u>
	Total	<u>\$ 1,777,926</u>

Proprietary Funds Transfers

Transfers from Water System		
To:	General Fund	\$ 700,785

Transfer from Solid Waste

To:	General Fund	\$ 5,272
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The purpose of interfund transfers is to recognize budget funds appropriated for fiscal year 2011 and funds received through donations for specific projects or funds. Transfers from the General Fund, Special Revenue Funds, and Non-Major Project funds were made to fund various projects. Transfers from SPLOST funds were for reimbursement of work completed. Proprietary fund transfers were related to overhead cost allocation.

D. Leases

The County entered into an equipment lease-purchase agreement with Motorola, Inc. on December 27, 2002 for an 841 Mhz radio system with six satellites and one prime site. The total purchase price was \$7,760,000. Under the terms of the financing the County is required to make annual lease payments in the amount of \$993,761 covering a ten-year lease term.

The County has entered into capital leases for 17 copiers. The total cost of the copiers was \$173,141. The leases end at varying times until fiscal year 2013. The value of the assets associated with the leases is:

Cost of leased assets	\$ 7,933,141
Accumulated depreciation	<u>3,699,573</u>
Value of Assets	<u>\$ 4,233,568</u>

At June 30, 2011, the County was obligated to make payments of principal and interest as follows:

Fiscal years ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 927,717	\$ 90,325	\$ 1,018,042
2013	<u>950,915</u>	<u>45,405</u>	<u>996,320</u>
	<u>\$ 1,878,632</u>	<u>\$ 135,730</u>	<u>\$ 2,014,362</u>

E. Closure and Postclosure Care Cost

Current State and Federal laws and regulations require the County to place a final cover on its landfill sites when municipal solid waste is no longer accepted, and to perform certain maintenance and monitoring functions at these sites for a minimum of five years after closure. Fayette County closed the Grady Avenue Landfill in 1988 and First Manassas Mile Road (FMMR) Sanitary Landfill in June of 1994. The County has entered into a contractual agreement with an outside contractor to lease an unused part of the old FMMR landfill site as a waste transfer station.

Governmental Accounting Standards Board, Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, requires that the County report closure and postclosure care costs as an operating expense in each reporting period based on landfill capacity used at the balance sheet date. With the closing of both of its sanitary landfills prior to June 30, 1994, the Solid Waste Enterprise Fund recognized 100% of the total estimated amount of the closure and postclosure care costs. As of June 30, 2011 the closure and postclosure care liability account had a zero balance. EPD provides estimates of the cost, there is a potential for change due to inflation, deflation, technology, or applicable laws or regulations.

F. Long-Term Debt

General Obligations 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 pledge the full faith and credit of the government. The County currently has no general obligation bonds outstanding.

Revenue Bonds. The Water System (the "System") has pledged future water customer revenues, net of specified operating expenses to repay \$55.08 million in revenue bonds. Proceeds from the bonds provided financing for construction. The bonds are payable solely from the System's customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 48 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$75,438,414. Principal and interest paid on outstanding bonds in the current year was \$3,523,825 and net revenues were \$7,356,947. The bonds outstanding are:

\$10,245,000 Series 1996A, water revenue bonds, due in annual installments of \$25,000 to \$920,000 through October 1, 2020; interest at 3.6% to 5.5%, net of unamortized bond discount of \$476, deferred refunding difference of \$21,689	<u>Debt</u> \$1,190,000
\$22,670,000 Series 2002, water revenue bonds, due in annual installments of \$50,000 to \$2,250,000 through October 1, 2032; interest at 3.25% to 5.125%, net of unamortized bond discount of \$37,140, deferred refunding difference of \$679,723	19,160,000
\$36,340,000 Series 2009, water revenue bonds, due in annual installments of \$85,000 to \$4,415,000 through October 2029; interest at 2.0% to 5.0%, net of unamortized bond premium of \$1,419,808, deferred refunding difference of \$895,315	<u>34,730,000</u>
Current and long-term portion of revenue bonds	<u>\$55,080,000</u>

F. Long-Term Debt-Continued

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2011:

Bond Issue	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Current Portion
Series 1996A	\$ 2,060,000	\$ -	\$ 870,000	\$ 1,190,000	\$ 920,000
Series 2002	19,655,000	-	495,000	19,160,000	515,000
Series 2009	36,255,000	-	1,525,000	34,730,000	1,675,000
Total	57,970,000	-	2,890,000	55,080,000	\$ 3,110,000
Unamortized Portion:					
Refunding Difference	(1,724,007)	-	127,279	(1,596,728)	
Bond (Discount)/					
Premium	1,454,897	-	(72,705)	1,382,192	
Net Revenue Bonds	\$ 57,700,890	\$ -	\$ 2,835,426	\$ 54,865,464	

At June 30, 2011 the County was obligated to make payments of principal and interest on its outstanding water revenue bond debt as follows:

Fiscal years ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 3,110,000	\$ 2,330,539	\$ 5,440,539
2013	3,255,000	2,228,586	5,483,586
2014	3,375,000	2,125,311	5,500,311
2015	3,470,000	1,990,972	5,460,972
2016	3,495,000	1,836,322	5,331,322
2017-2021	19,595,000	6,633,078	26,228,078
2022-2026	12,505,000	2,419,656	14,924,656
2027-2031	5,620,000	759,997	6,379,997
2032-2033	655,000	33,953	688,953
	\$ 55,080,000	\$ 20,358,414	\$ 75,438,414

In June 2000, the Fayette County Public Facilities Authority (a blended component unit) issued \$55,250,000 of Series 2000 Revenue Bonds with an average interest rate of 5.87% to construct a new Criminal Justice Center. In September 2001, the Fayette County Public Facilities Authority issued \$50,435,000 of Series 2001 Refunding Revenue Bonds with an average interest rate of 3.82% to partially advance refund \$45,570,000 of the Series 2000 bonds. The net proceeds of \$49,668,979 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2000 bonds. As a result, \$45,570,000 of the Series 2000 bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt group.

The Fayette County Public Facilities Authority advance refunded the Series 2000 bonds to reduce its total debt service payments by almost \$3.4 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1.8 million.

F. Long-Term Debt-Continued

In April 2011, the Fayette County Public Facilities Authority issued \$40,300,000 of Series 20011 Refunding Revenue Bonds with an average interest rate of 3.88%. This along with \$8 million in cash refunded the \$47,995,000 Series 2001 bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2001 bonds. As a result, the Series 2001 bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt group. The refunding of the Series 2001 bonds reduced the total debt service payments by almost \$6.8 million and will obtain an economic gain of \$3.3 million.

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2011:

<u>Bond Issue</u>	<u>Balance</u>			<u>Balance</u>	
	<u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u>	<u>Current Portion</u>
Series 2001	\$ 47,995,000	\$ -	\$ 47,995,000	\$ -	\$ -
Series 2011	-	40,300,000	-	40,300,000	950,000
	<u>\$ 47,995,000</u>	<u>\$ 40,300,000</u>	<u>\$ 47,995,000</u>	<u>\$ 40,300,000</u>	<u>\$ 950,000</u>

At June 30, 2011 the County was obligated to make payments of principal and interest on the Series 2011 Fayette County Public Facilities Authority outstanding revenue bond debt as follows:

<u>Fiscal years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 950,000	\$ 1,875,618	\$ 2,825,618
2013	1,160,000	1,669,056	2,829,056
2014	1,220,000	1,611,056	2,831,056
2015	1,710,000	1,552,306	3,262,306
2016	1,785,000	1,477,306	3,262,306
2017-2021	9,805,000	6,491,481	16,296,481
2022-2026	12,025,000	4,272,469	16,297,469
2026-2030	11,645,000	1,396,806	13,041,806
	<u>\$ 40,300,000</u>	<u>\$ 20,346,098</u>	<u>\$ 60,646,098</u>

Advance Refunding. The County and Public facilities authority have advanced refunded certain revenue bonds by placing the proceeds of the new bond issues in irrevocable trusts with escrow agents for the purpose of generating resources for all future debt service payments of the refunded debt. With this financial arrangement, the refunded bonds are considered to be defeased in substance. Accordingly, the trust account assets and liability for the defeased bonds are not included in the County's financial statements.

At June 30, 2011 \$63,100,000 of outstanding revenue bonds are considered defeased. Fayette County Public Facilities Authority defeased bond amount of \$47,995,000 and the Water System's defeased bonds of \$15,105,000.

Certificates of Participation. In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association ("the Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's original participation totaling \$5,000,000. However, this

F. Long-Term Debt -Continued

level of participation has been decreased in recent years to \$3,220,000. The lease pool agreement with the Association provides that the County owns its portion of the assets invested by the pool and is responsible for the payment of its portion of principal and interest of the Certificates of Participation. The principal of \$3,220,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year for an annual payment of \$237,500. The County may draw from the investment to lease equipment from the Association. The lease pool agreement requires the County to make payments back into its investment account to fund the interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is required to pay (1) a monthly floating rate of interest based on the TBMA Municipal Swap Index (plus a spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the Contract times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Under the Swap Agreement, the County's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the TBMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028. In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize the risk, the County executed this agreement with counterparties of appropriate credit strength. All participants in the lease pool are required to participate in the interest swap agreement and the Swap Counterparty computes the fair value of the Swap Agreement on the aggregate basis only.

Following is a reconciliation of debt disclosures presented above to amounts reported in the statement of net assets:

	Balance			Balance	Due Within
Governmental Activities	July 1, 2010	Additions	Reductions	June 30, 2011	One Year
Public Facilities Authority	\$ 47,995,000	\$ 40,300,000	\$ 47,995,000	\$ 40,300,000	\$ 950,000
Certificate of Participation	3,220,000	-	-	3,220,000	-
Compensated Absences	3,152,017	112,876	84,868	3,180,025	708,069
OPEB liability	366,283	261,459	18,139	609,603	-
Capital Leases	2,786,133	-	907,501	1,878,632	929,706
	<u>\$ 57,519,433</u>	<u>\$ 40,674,335</u>	<u>\$ 49,005,508</u>	<u>\$ 49,188,260</u>	<u>\$ 2,587,775</u>
<u>Business-Type Activities</u>					
Revenue Bonds	\$ 57,970,000	\$ -	\$ 2,890,000	\$ 55,080,000	\$ 3,110,000
Compensated Absences	150,319	9,946	1,348	158,917	30,855
	<u>\$ 58,120,319</u>	<u>\$ 9,946</u>	<u>\$ 2,891,348</u>	<u>\$ 55,238,917</u>	<u>\$ 3,140,855</u>

F. Long-Term Debt -Continued

The governmental funds typically used to liquidate compensated absences are the general fund and special revenue funds.

NOTE IV – OTHER INFORMATION

A. Risk Management

Fayette County, Georgia is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years.

The County established a limited risk management program for workers' compensation during the 1988 fiscal year. The purpose of the Worker's Compensation Self-Insurance Internal Service Funds is to pay workers' compensation claims from accumulated assets of the fund and minimize the total cost of workers' compensation insurance to the County. Specific and aggregate excess insurance is provided through a private insurance carrier.

The County initiated its Dental Self-Insurance Internal Service Fund in the 1991 fiscal year. The purpose of this fund was to pay claims for employees for certain health care expenses incurred up to a maximum of \$1,000 per covered individual. Claims are handled by a third party administrator as of June 1, 2005.

Fayette County established its Major Medical Self-Insurance Internal Service Fund in the 1991 fiscal year, and on June 1, 2010 became fully insured.

The County initiated its Vision reimbursement plan in the 1997 fiscal year. Employees are reimbursed up to \$200 per year per covered individual for out of pocket expenses associated with vision care. Claims are handled by a third party administrator as of June 1, 2005.

All funds of the County participate in these programs and make payments to these Internal Service Funds based on actuarial estimates of the amounts needed to pay prior and current year claims, claim reserves, and administrative costs of the programs. The claims liability of \$824,868 reported at June 30, 2011, is based on requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Liabilities also include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

A. Risk Management-Continued

Changes in the funds claims liability amounts in fiscal years 2010 and 2011 were as follows:

	Beginning <u>Liabilities</u>	Current Yr Claims & Changes <u>in Estimates</u>	Less claim <u>Payments</u>	End of Fiscal Year <u>Liabilities</u>
Workers' Compensation				
FY2010	\$ 14,595	\$ 299,760	\$ 294,180	\$ 20,175
FY2011	20,175	401,807	369,393	52,589
Dental/Vision Self-Insurance				
FY2010	19,902	386,206	371,277	34,831
FY2011	34,831	376,707	383,452	28,086
Medical Self-Insurance Fund				
FY2010	-	372,533	64,208	308,325
FY2011	308,325	6,244,299	5,808,431	744,193

B. Post-employment Healthcare Plan

In addition to providing pension benefits, the County provides funding for certain health care related benefits for retired employees under a single employer defined benefit OPEB plan. A majority of the County's employees may become eligible for this benefit upon reaching the minimum age of 55 and having at least 25 years of service. Continued health care benefits in the form of single coverage will be paid fully by the County from the Major Medical Self-Insurance Fund. This benefit is limited to a period which is the shorter of (a) ten years or (b) the length of time it takes for the employee to reach the age at which they become eligible for Medicare benefits. The County has the authority to establish and amend the plan provisions. Separate statements are not prepared for the plan.

In lieu of having the major medical coverage, an eligible retiree may elect to take a cash payment equal to the total amount of the contributions that the County would have made into the insurance fund on their behalf. Retired employees also have the option to pay the contribution amount to cover their spouse and dependents under the plan.

At June 30, 2011 the County has 20 employees eligible for this benefit, there are four employees receiving medical insurance coverage. The County has not advanced funded or established a funding methodology for the annual OPEB costs or net OPEB obligations but finances the plan on a pay-as-you-go basis. The plan is administered by the County. For the year ended June 30, 2011 the County paid \$18,139 for this benefit.

The following table includes the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation:

Normal Cost	\$ 133,303
Interest on normal costs	10,056
Amortization of unfunded actuarial accrued liability	118,100
Annual required contribution	261,459
Expected employer benefit payments	(18,139)
Increase in net OPEB obligation	243,320
Net OPEB obligation, beginning of year	366,283
Net OPEB obligation, end of year	<u>\$ 609,603</u>

B. Post-employment Healthcare Plan-Continued

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2010	\$ 191,350	9%	\$ 366,283
2011	261,459	7%	609,603

As of June 30, 2011 the actuarial accrued liability was \$2,197,298 and the actuarial value of assets set aside to fund this liability was zero, the resulting unfunded accrued actuarial liability is \$2,197,298. The annual OPEB cost for the fiscal year 2011 was \$261,459 of which \$18,139 was contributed. The covered payroll was \$32.5 million and the ratio of the unfunded actuarial liability to the covered payroll was 6.8 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County's actuarial valuation information is as follows:

Current valuation date	1/1/2011
Actuarial cost method	Projected Unit Credit
Amortization method	Closed periods using level dollar
Amortization period	30
Asset valuation method	N/A
Actuarial assumptions	
Investment rate of return	N/A
Healthcare cost trend rate	5%
Assumed rates of increase	4%

C. Segment Information Enterprise Funds

The County maintains two enterprise funds, which are intended to be self-supporting through user fees charged for services to the public. The Water System accounts for the provision of potable water service to the majority of the County citizens. Solid Waste accounts for the closed municipal waste landfills, an operational construction and demolition landfill, and a transfer station, which provides waste disposal services for all citizens.

D. Contingent Liabilities

The County has participated in a number of grant programs funded by certain Federal and State agencies. Several of these programs are subject to program compliance audits and reviews by the grantor, some of which have not been concluded. Accordingly, the County's compliance with applicable grant requirements may be established at some future date. That 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 to be immaterial based upon previous experience. The County is a defendant in various litigations. Although the outcome of these lawsuits is not presently determinable it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

E. Employees' Pension Plan

In the fiscal year 2010, the County established a hybrid retirement plan for employees. The plan consists of a defined benefit and defined contribution plan. Employees become eligible for the plan if they are at least 18 years old and work a minimum of 30 hours per week. Actual participation in the plan begins with the first payroll of the quarter following the completion of a successful probationary period. Participants are vested after 5 years.

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Fayette County Employees (The Plan), which is a defined benefit pension plan. The plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. GEBCorp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. This report can be obtained by contacting GEBCorp.

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The actuarial current recommended contribution rate is 2.5% of payroll. However, the Board of Commissioners has adopted a contribution rate of 3.8% of payroll. The higher contribution was recommended at the establishment of the plan to smooth fluctuations in the plan and has been maintained since establishment of the plan. In addition to the 3.8% contributed by the County, employees are required to contribute 2.5% of salary to the plan for a total contribution of 6.3% of payroll. Unfunded liability is amortized over 10 years.

E. Employees' Pension Plan-Continued

The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of Net Pension Obligation:	<u>2011</u>	<u>2010</u>
Net Pension Obligation as of Beginning of Prior Year	\$ (313,193)	\$ -
Annual Pension Cost for PY	762,568	298,235
Actual Contributions to Plan for PY	<u>1,253,342</u>	<u>611,428</u>
Increase (decrease) in Net Pension Obligation	<u>(490,774)</u>	<u>(313,193)</u>
Net Pension Obligation as of End of the Year	<u>\$ (803,967)</u>	<u>\$ (313,193)</u>
Derivation of Annual Pension Cost:		
Annual Required Contribution	\$ 777,081	\$ 760,869
Interest on Net Pension Obligation	(62,307)	(24,272)
Amortization of Net Pension Obligation	<u>66,668</u>	<u>25,971</u>
Annual Pension Cost	<u>\$ 781,442</u>	<u>\$ 762,568</u>

Basis of Valuation

Current Valuation Date	January 1, 2011
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5%-6.0% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)

Trend Information for the Plan

Fiscal Year	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
Beginning January 1, 2011	\$ 781,442	N/A	N/A	\$ (803,967)
January 1, 2010	762,568	1,253,342	164%	(313,193)
July 1, 2009	298,235 *	611,428	205%	-

* This amount represents the pension cost for the period from July 1, 2009 to December 31, 2009.

Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
Beginning December 31, 2010	\$ 18,640,690 *	\$ 18,028,224	\$ (612,466)	103.4%	\$ 31,434,837	-1.9%
December 31, 2009	15,311,443 *	15,500,023	188,580	98.8%	30,397,046	0.6%

*Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees

E. Employees' Pension Plan-Continued

In conjunction with the defined benefit plan, the County offers a defined contribution plan administered by Mass Mutual. The 401(a) pension plan is a defined contribution plan that covers substantially all full time County employees. Under the current provisions, the County will match contributions made by an employee to the deferred compensation plan on a 1 for 2 basis up to a maximum contribution by the County of 2.5%. Contributions are calculated and made on a biweekly payroll basis. During the fiscal year, employees contributed \$1,921,285 to the defined contribution plan and the County contributed \$622,111 in matching funds. The Board of Commissioners establishes matching percentages.

F. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Fayette County. The County's membership dues paid to the ARC for the year ended June 30, 2011 were \$108,800. Membership in the ARC is required by the Official Code of Georgia (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-9-30.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements of the ARC may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.



REQUIRED SUPPLEMENTARY INFORMATION

Fayette County, Georgia
Schedule of Funding Progress – OPEB and Defined Benefit
June 30, 2011

Schedule of Funding Progress
OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/(c))
1/1/2011	\$ -	\$ 2,197,298	\$ 2,197,298	0.0%	\$ 32,500,000	6.8%
1/1/2009	-	1,451,450	1,451,450	0.0%	32,700,000	4.4%

Schedule of Funding Progress
Defined Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/(c))
12/31/2010	\$ 18,640,690 *	\$ 18,028,224	\$ (612,466)	103.4%	\$ 31,434,837	-1.9%
12/31/2009	15,311,443	15,500,023	188,580	98.8%	30,397,046	0.6%

*Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund

For fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Property taxes	\$ 27,338,745	\$ 27,338,745	\$ 27,911,133	\$ 572,388
Sales taxes	9,500,000	9,500,000	9,572,548	72,548
Other taxes	908,500	908,500	1,311,971	403,471
Licenses and permits	382,000	382,000	451,172	69,172
Intergovernmental	624,000	624,000	589,296	(34,704)
Charges for services	1,525,250	1,525,250	1,918,207	392,957
Fines and forfeitures	1,374,000	1,374,000	1,435,496	61,496
Investment Income	125,000	125,000	255,994	130,994
Contributions/Donations	12,000	32,958	25,641	(7,317)
Miscellaneous revenues	198,000	291,654	543,735	252,081
Total revenues	<u>41,987,495</u>	<u>42,102,107</u>	<u>44,015,193</u>	<u>1,913,086</u>
Expenditures:				
Current:				
General Government				
Commissioners	567,878	574,146	564,837	9,309
Administration	319,956	340,700	325,197	15,503
Elections	600,732	642,661	593,369	49,292
Finance	1,015,555	1,048,804	1,042,460	6,344
Purchasing	242,834	242,837	203,011	39,826
Law Department	193,277	198,576	194,037	4,539
Information Systems	645,755	680,754	659,358	21,396
Human Resources	418,320	438,110	419,461	18,649
Tax Commissioner	1,004,933	1,015,439	945,579	69,860
Tax Assessor	825,425	804,810	791,727	13,083
Building & Grounds Maintenance	1,629,814	1,668,885	1,642,789	26,096
Engineering Office	263,275	266,513	257,686	8,827
Contingency	500,000	404,229	-	404,229
Non-Departmental	488,729	511,673	461,475	50,198
Total General Government	<u>8,716,483</u>	<u>8,838,137</u>	<u>8,100,986</u>	<u>737,151</u>
Judicial System				
Judges, Court Reporter	348,943	381,694	371,247	10,447
Clerk of Superior Court	1,196,750	1,235,045	1,211,941	23,104
District Attorney	330,867	330,867	330,865	2
Clerk of State Court	276,384	278,601	271,855	6,746
State Court Solicitor	492,289	503,326	493,553	9,773
State Court Judge	357,111	358,737	328,440	30,297
Magistrate Court	472,898	473,004	462,799	10,205
Probate Court	299,100	312,767	311,160	1,607
Juvenile Court	318,198	325,000	317,956	7,044
Public Defender	484,799	484,799	484,799	-
Non-Departmental	223,956	243,730	240,490	3,240
Total Judicial System	<u>4,801,295</u>	<u>4,927,570</u>	<u>4,825,105</u>	<u>102,465</u>

Continued

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund

For fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Public Safety				
Marshal	713,937	731,792	728,166	3,626
Sheriff's Department	15,853,216	16,442,555	16,232,900	209,655
County Coroner	70,000	77,116	74,153	2,963
Animal Control	313,509	325,414	324,834	580
Public Safety & Emergency Management	462,817	478,814	465,092	13,722
Non-Departmental	790,128	907,304	907,298	6
Total Public Safety	<u>18,203,607</u>	<u>18,962,995</u>	<u>18,732,443</u>	<u>230,552</u>
Public Works				
Public Works Administration	191,357	192,267	178,694	13,573
Road Department	3,345,288	4,293,247	4,110,359	182,888
Stormwater Management	322,445	328,381	323,857	4,524
Maintenance & Shop	514,868	522,990	484,161	38,829
Total Public Works	<u>4,373,958</u>	<u>5,336,885</u>	<u>5,097,071</u>	<u>239,814</u>
Health and Welfare				
Department of Physical Health	336,211	338,344	338,323	21
Fayette Counseling Center	127,939	127,939	127,939	-
Department of Family & Children Services	40,128	40,128	40,128	-
Fayette Community Options	60,480	60,480	60,480	-
Senior Citizens Center	174,556	174,556	174,556	-
Youth Protection	19,743	19,743	19,743	-
Total Health and Welfare	<u>759,057</u>	<u>761,190</u>	<u>761,169</u>	<u>21</u>
Culture/Recreation				
Recreation	1,090,848	1,118,779	1,062,376	56,403
Libraries	728,490	765,639	741,939	23,700
Total Culture/Recreation	<u>1,819,338</u>	<u>1,884,418</u>	<u>1,804,315</u>	<u>80,103</u>
Planning & Community Development				
County Extension	106,991	115,981	100,117	15,864
Ga Forestry Commission	3,422	3,422	3,422	-
Permits & Inspections	435,965	438,951	436,935	2,016
Planning & Zoning	420,567	437,362	426,978	10,384
Development Authority	303,348	304,114	304,096	18
Total Planning & Community Development	<u>1,270,293</u>	<u>1,299,830</u>	<u>1,271,548</u>	<u>28,282</u>
Total current expenditures	<u>39,944,031</u>	<u>42,011,025</u>	<u>40,592,637</u>	<u>1,418,388</u>
Debt Service				
Principal payment	2,354,247	864,247	864,247	-
Interest payments	2,485,038	1,367,703	1,306,953	60,750
Total debt service	<u>4,839,285</u>	<u>2,231,950</u>	<u>2,171,200</u>	<u>60,750</u>
Total expenditures	<u>44,783,316</u>	<u>44,242,975</u>	<u>42,763,837</u>	<u>1,479,138</u>

Continued

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund

For fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Excess of revenues over expenditures	(2,795,821)	(2,140,868)	1,251,356	3,392,224
Other financing sources (uses):				
Transfers in-Street Lights	4,000	4,000	4,000	-
Transfers in-Water System	700,785	700,785	700,785	-
Transfers in-SPLOST	560,200	560,200	542,385	(17,815)
Transfers in-Solid Waste	5,272	5,272	5,272	-
Transfers in-E911	14,955	14,955	14,955	-
Transfers in -Criminal Justice Center	1,490,000	1,490,000	1,490,000	-
Transfers in Capital Projects	-	32,536	35,536	3,000
Transfers out-E911	(225,689)	(225,689)	(225,689)	-
Transfers out-Victim Assistance	-	(45,000)	(45,000)	-
Transfers out -Criminal Justice Center	-	(1,490,000)	(1,490,000)	-
Transfers out-Capital Projects	-	(10,592)	(10,592)	-
Transfers out-Vehicle Replacement	-	(9,696)	(9,696)	-
Sale of capital asset	-	-	16,329	16,329
Total other financing sources (uses)	2,549,523	1,026,771	1,028,285	1,514
Net change in fund balances	(246,298)	(1,114,097)	2,279,641	3,393,738
Fund balances - beginning	34,993,703	34,993,703	34,993,703	-
Fund balances - ending	<u>\$ 34,747,405</u>	<u>\$ 33,879,606</u>	<u>\$ 37,273,344</u>	<u>\$ 3,393,738</u>

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Fire District Special Revenue Fund

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 6,958,400	\$ 6,958,400	\$ 7,012,646	\$ 54,246
Charges for services	50,000	50,000	49,658	(342)
Intergovernmental	-	-	-	-
Interest income	10,000	10,000	16,281	6,281
Donations	-	1,900	2,026	126
Other miscellaneous revenues	37,500	37,500	33,940	(3,560)
Total revenues	7,055,900	7,057,800	7,114,551	56,751
Expenditures:				
Current:				
Public safety:				
Fire services	7,404,371	7,413,816	7,306,060	107,756
Capital Outlay:				
Fire services	11,280	9,695	8,993	702
Total expenditures	7,415,651	7,423,511	7,315,053	108,458
Other financing sources (uses):				
Transfers out	-	(24,500)	(24,500)	-
Total other financing (uses)	-	(24,500)	(24,500)	-
Net change in fund balances	(359,751)	(390,211)	(225,002)	165,209
Fund balances - beginning	2,990,810	2,990,810	2,990,810	-
Fund balances - ending	<u>\$ 2,631,059</u>	<u>\$ 2,600,599</u>	<u>\$ 2,765,808</u>	<u>\$ 165,209</u>

Fayette County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
EMS District Special Revenue Fund

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 1,775,000	\$ 1,775,000	\$ 1,814,263	\$ 39,263
Charges for services	1,400,000	1,400,000	1,738,282	338,282
Interest income	500	500	-	(500)
Donations	-	-	100	100
Other miscellaneous revenues	-	-	209	209
Total revenues	<u>3,175,500</u>	<u>3,175,500</u>	<u>3,552,854</u>	<u>377,354</u>
Expenditures:				
Current:				
Public safety:				
EMS Program	3,033,039	3,032,231	2,837,568	194,663
Capital Outlay:				
Public safety:	<u>1,901</u>	<u>2,709</u>	<u>2,708</u>	<u>1</u>
Total expenditures	<u>3,034,940</u>	<u>3,034,940</u>	<u>2,840,276</u>	<u>194,664</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(4,200)</u>	<u>(4,200)</u>	<u>-</u>
Total other financing (uses)	<u>-</u>	<u>(4,200)</u>	<u>(4,200)</u>	<u>-</u>
Net change in fund balances	140,560	136,360	708,378	572,018
Fund balances - beginning	<u>1,340,786</u>	<u>1,340,786</u>	<u>1,340,786</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,481,346</u>	<u>\$ 1,477,146</u>	<u>\$ 2,049,164</u>	<u>\$ 572,018</u>



Where Quality Is A Lifestyle

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

Fayette County, Georgia
Non-major Governmental Funds-Special Revenue Funds and Capital Project Funds

Special Revenue Funds for specific purposes are used to account for revenue sources that are legally restricted to specific expenditures defined by the revenue. The County uses the following special revenue funds:

Emergency 911

To account for monies collected from private and commercial telephone customers for emergency telephone services. These monies will be used for expenditures of the E-911 system.

Grants

This is a summary of multiple funds used to account for various grants received by the County.

Street Lights Fund

To account for the creation and maintenance of street lighting in unincorporated Fayette County. Financing is derived principally from a special tax levy against property owners serviced.

Law Enforcement Confiscated Monies (LECM)

To account for revenues generated by federal and State agencies seizure condemnation of drug monies which are used to enhance law enforcement.

Fine Surcharges

To account for various surcharge revenues collected from court cases. These monies will be used for juvenile education and reformation programs, drug education programs, victim assistance programs, and jail construction.

The **Capital Project Funds** account for resources provided to acquire or construct major capital facilities (other than enterprise fund facilities). Sale of bonds, State or Federal grants, special levies or transfers of resources from other funds may finance capital projects. The County uses the following capital projects funds:

Special Purpose Local Option Sales Tax (SPLOST)

To account for funds received from the special purpose local option sales tax for the County's library.

Criminal Justice Center Construction

To account for the construction of the criminal justice center.

Kenwood Park Construction

To account for the construction of a park in north Fayette County.

Early Warning Siren System

To account for the construction of early warning siren system within Fayette County

General Capital Projects

To account for other capital projects as approved in the County's Capital Improvement Program

Fayette County, Georgia
Combining Balance Sheet
Non-Major Governmental Funds

June 30, 2011

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Unrestricted cash	\$ 2,656,663	\$ 2,592,602	\$ 5,249,265
Restricted cash	-	840,668	840,668
Investment	-	4,024,815	4,024,815
Accrued interest	45	27	72
Receivables	412,839	80,316	493,155
Prepaid	22,394	1,302	23,696
Taxes (net of allowance for uncollectible accounts)	<u>10,561</u>	<u>-</u>	<u>10,561</u>
Total assets	<u><u>3,102,502</u></u>	<u><u>7,539,730</u></u>	<u><u>10,642,232</u></u>
Liabilities:			
Accounts payable	36,643	235,664	272,307
Contracts payable	-	-	-
Accrued payroll and withholdings	69,804	-	69,804
Compensated absences payable	19,144	-	19,144
Due to others	17	-	17
Deferred revenue	<u>10,965</u>	<u>-</u>	<u>10,965</u>
Total liabilities	<u><u>136,573</u></u>	<u><u>235,664</u></u>	<u><u>372,237</u></u>
Fund Balances:			
Nonspendable	22,394	1,302	23,696
Restricted	969,615	-	969,615
Committed:			
Encumbrances	7,800	11,618	19,418
Assigned			
Capital/CIP		7,291,146	7,291,146
Fund Purpose	<u>1,966,120</u>	<u>-</u>	<u>1,966,120</u>
Total fund balances	<u><u>2,965,929</u></u>	<u><u>7,304,066</u></u>	<u><u>10,269,995</u></u>
Total liabilities and fund balances	<u><u>\$ 3,102,502</u></u>	<u><u>\$ 7,539,730</u></u>	<u><u>\$ 10,642,232</u></u>

Fayette County, Georgia
 Combining Balance Sheet
 Non-Major Special Revenue Funds

June 30, 2011

	Emergency 911	Grants	Street Lights	Law Enforcement Confiscated Monies (L.E.C.M.)	Fine Surcharges	Total
ASSETS						
Unrestricted cash	\$ 822,289	\$ (61,228)	\$ 55,277	\$ 1,491,329	\$ 348,996	\$ 2,656,663
Accounts receivable	256,797	91,922	25	6,360	57,735	412,839
Prepaid items	19,944	-	-	1,850	600	22,394
Accrued interest	45	-	-	-	-	45
Taxes (net of allowance for uncollectible accounts)	-	-	10,561	-	-	10,561
Total assets	1,099,075	30,694	65,863	1,499,539	407,331	3,102,502
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	23,947	8,195	-	-	4,501	36,643
Accrued payroll and withholdings	67,697	-	-	-	2,107	69,804
Compensated absences payable	17,872	-	-	-	1,272	19,144
Due to others	-	-	-	-	17	17
Deferred revenues	-	-	10,965	-	-	10,965
Total liabilities	109,516	8,195	10,965	-	7,897	136,573
Fund Balances:						
Nonspendable	19,944	-	-	1,850	600	22,394
Restricted	969,615	-	-	-	-	969,615
Committed:	-	-	-	-	-	-
Encumbrances	-	7,800	-	-	-	7,800
Assigned fund purpose	-	14,699	54,898	1,497,689	398,834	1,966,120
Total fund balances	989,559	22,499	54,898	1,499,539	399,434	2,965,929
Total liabilities and fund balances	\$ 1,099,075	\$ 30,694	\$ 65,863	\$ 1,499,539	\$ 407,331	\$ 3,102,502

Fayette County, Georgia
Combining Balance Sheet
Non-Major Capital Project Funds

June 30, 2011

	SPLOST Library	Kenwood Park Construction	Early Warning Siren System	General Capital Projects	Totals
ASSETS					
Unrestricted cash	\$ -	\$ 698,385	\$ 4,177	\$ 1,890,040	\$ 2,592,602
Restricted cash	840,668	-	-	-	840,668
Investment	-	-	-	4,024,815	4,024,815
Accrued interest	-	26	1	-	27
Other Receivables	-	-	80,316	-	80,316
Prepaid	1,302	-	-	-	1,302
Total assets	841,970	698,411	84,494	5,914,855	7,539,730
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	157,701	539	-	77,424	235,664
Total liabilities	157,701	539	-	77,424	235,664
Fund Balances:					
Nonspendable	1,302	-	-	-	1,302
Restricted	-	-	-	-	-
Committed:	-	-	-	-	-
Encumbrances	-	-	-	11,618	11,618
Assigned capital/CIP	682,967	697,872	84,494	5,825,813	7,291,146
Total fund balances	684,269	697,872	84,494	5,837,431	7,304,066
Total liabilities and fund balances	\$ 841,970	\$ 698,411	\$ 84,494	\$ 5,914,855	\$ 7,539,730

Fayette County, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds

For the fiscal year ended June 30, 2011

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 309,537	\$ -	\$ 309,537
Intergovernmental	967,047	-	967,047
User charges	1,863,871	-	1,863,871
Fine surcharges	3,025,977	-	3,025,977
Interest income	1,571	32,126	33,697
Other revenue	458,936	80,316	539,252
Total revenues	<u>6,626,939</u>	<u>112,442</u>	<u>6,739,381</u>
Expenditures:			
Current:			
Judicial System	494,593	-	494,593
Public Safety	4,022,500	-	4,022,500
Public Works	286,158	-	286,158
Parks, Recreation and Culture		121,630	121,630
			-
Capital Outlay:			
General Government	-	1,745,235	1,745,235
Judicial	4,493	-	4,493
Public Safety	2,831,363	-	2,831,363
Intergovernmental	-	-	-
Total expenditures	<u>7,639,107</u>	<u>1,866,865</u>	<u>9,505,972</u>
Excess (deficiency) of revenues over (under) expenditures	(1,012,168)	(1,754,423)	(2,766,591)
Other Financing sources (uses):			
Transfers in	299,389	198,754	498,143
Transfers out	<u>(18,955)</u>	<u>(287,926)</u>	<u>(306,881)</u>
Total other financing sources (uses)	<u>280,434</u>	<u>(89,172)</u>	<u>191,262</u>
Net change in fund balances	<u>(731,734)</u>	<u>(1,843,595)</u>	<u>(2,575,329)</u>
Fund balances - beginning	<u>3,697,663</u>	<u>9,147,661</u>	<u>12,845,324</u>
Fund balances - ending	<u>\$ 2,965,929</u>	<u>\$ 7,304,066</u>	<u>\$ 10,269,995</u>

Fayette County, Georgia
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-Major Special Revenue Funds

For the fiscal year ended June 30, 2011

	Emergency 911	Grants	Street Lights	Law Enforcement Confiscated Monies (L.E.C.M.)	Fine Surcharges	Total
Revenues:						
Property taxes	\$ -	\$ -	\$ 309,537	\$ -	\$ -	\$ 309,537
Intergovernmental	254,280	280,989	-	-	431,778	967,047
User charges	1,863,871	-	-	-	-	1,863,871
Fine surcharges	-	-	-	2,679,395	346,582	3,025,977
Interest income	136	-	-	1,435	-	1,571
Other revenue	-	-	14	458,922	-	458,936
Total revenues	2,118,287	280,989	309,551	3,139,752	778,360	6,626,939
Expenditures:						
Current:						
Judicial System	-	194,056	-	-	300,537	494,593
Public Safety	2,460,046	2,398	-	1,080,192	479,864	4,022,500
Public Works	-	-	286,158	-	-	286,158
Capital outlay:						
Judicial System	-	4,493	-	-	-	4,493
Public Safety	2,159	101,709	-	2,727,495	-	2,831,363
Total expenditures	2,462,205	302,656	286,158	3,807,687	780,401	7,639,107
Excess (deficiency) of revenues over (under) expenditures	(343,918)	(21,667)	23,393	(667,935)	(2,041)	(1,012,168)
Other financing sources (uses):						
Transfers in	225,689	28,700	-	-	45,000	299,389
Transfers out	(14,955)	-	(4,000)	-	-	(18,955)
Total other financing sources (uses)	210,734	28,700	(4,000)	-	45,000	280,434
Net change in fund balances	(133,184)	7,033	19,393	(667,935)	42,959	(731,734)
Fund balances - beginning	1,122,743	15,466	35,505	2,167,474	356,475	3,697,663
Fund balances - ending	\$ 989,559	\$ 22,499	\$ 54,898	\$ 1,499,539	\$ 399,434	\$ 2,965,929

Fayette County, Georgia
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-Major Capital Project Funds

For the fiscal year ended June 30, 2011

	SPLOST Library	Kenwood Park Construction	Early Warning Siren System	General Capital Projects	Total Non-Major Capital Project Funds
Revenues:					
Interest income	\$ 400	\$ 587	\$ 28	\$ 31,111	\$ 32,126
Other Revenues	-	-	80,316	-	80,316
Total revenues	<u>400</u>	<u>587</u>	<u>80,344</u>	<u>31,111</u>	<u>112,442</u>
Expenditures:					
Current:					
Judicial	-	-	-	-	-
Parks, Recreation and Culture Capital outlay:	81,339	40,291	-	-	121,630
General Government	388,185	-	107,087	1,249,963	1,745,235
Total current expenditures	<u>469,524</u>	<u>40,291</u>	<u>107,087</u>	<u>1,249,963</u>	<u>1,866,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(469,124)</u>	<u>(39,704)</u>	<u>(26,743)</u>	<u>(1,218,852)</u>	<u>(1,754,423)</u>
Other financing sources (uses):					
Transfers in	-	-	-	198,754	198,754
Transfers out	-	-	-	(287,926)	(287,926)
Total other financing sources (uses)	-	-	-	(89,172)	(89,172)
Net change in fund balances	<u>(469,124)</u>	<u>(39,704)</u>	<u>(26,743)</u>	<u>(1,308,024)</u>	<u>(1,843,595)</u>
Fund balances - beginning	<u>1,153,393</u>	<u>737,576</u>	<u>111,237</u>	<u>7,145,455</u>	<u>9,147,661</u>
Fund balances - ending	<u>\$ 684,269</u>	<u>\$ 697,872</u>	<u>\$ 84,494</u>	<u>\$ 5,837,431</u>	<u>\$ 7,304,066</u>

Fayette County, Georgia
 Emergency 911 Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ 1,900,000	\$ 1,900,000	\$ 1,863,871	\$ (36,129)
Intergovernmental	254,280	254,280	254,280	-
Interest Income	-	-	136	136
	<u>2,154,280</u>	<u>2,154,280</u>	<u>2,118,287</u>	<u>(35,993)</u>
Total revenues				
Expenditures:				
Current:				
Public Safety:				
Emergency Services	2,597,647	2,597,445	2,460,046	137,399
Capital outlay	1,985	2,187	2,159	28
	<u>2,599,632</u>	<u>2,599,632</u>	<u>2,462,205</u>	<u>137,427</u>
Total expenditures				
Other financing sources (uses):				
Transfers in	225,689	225,689	225,689	-
Transfers out	(14,955)	(14,955)	(14,955)	-
	<u>210,734</u>	<u>210,734</u>	<u>210,734</u>	<u>-</u>
Total other financing uses				
Net change in fund balances	(234,618)	(234,618)	(133,184)	101,434
Fund balances - beginning	<u>1,122,743</u>	<u>1,122,743</u>	<u>1,122,743</u>	<u>-</u>
Fund balances - ending	<u>\$ 888,125</u>	<u>\$ 888,125</u>	<u>\$ 989,559</u>	<u>\$ 101,434</u>

Fayette County, Georgia
 Street Lights Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ 303,000	\$ 303,000	\$ 309,537	\$ 6,537
Other	-	95	14	(81)
Total revenues	<u>303,000</u>	<u>303,095</u>	<u>309,551</u>	<u>6,456</u>
Expenditures:				
Current:				
Public Works:				
Street Lights	<u>287,655</u>	<u>287,750</u>	<u>286,158</u>	<u>1,592</u>
Total expenditures	287,655	287,750	286,158	1,592
Other financing sources (uses):				
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Total other financing uses	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balances	<u>11,345</u>	<u>11,345</u>	<u>19,393</u>	<u>8,048</u>
Fund balances - beginning	<u>35,505</u>	<u>35,505</u>	<u>35,505</u>	<u>-</u>
Fund balances - ending	<u>\$ 46,850</u>	<u>\$ 46,850</u>	<u>\$ 54,898</u>	<u>\$ 8,048</u>

Fayette County, Georgia
 Law Enforcement Confiscated Monies Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Fines & forfeitures				
Federal funds	\$ -	\$ 394,901	\$ 394,902	\$ 1
State funds	20,000	20,652	36,937	16,285
US Customs funds	-	2,408,983	2,408,983	-
Other revenue				
Federal funds	-	297,494	297,495	1
Interest income	-	1,435	1,435	-
	<u>20,000</u>	<u>3,123,465</u>	<u>3,139,752</u>	<u>16,287</u>
Total revenues				
Expenditures:				
Current:				
Public Safety:				
Investigative Services				
Federal funds	-	767,141	766,025	1,116
State funds	45,900	39,774	35,267	4,507
U S Customs	-	278,907	278,900	7
Capital outlay:				
Federal funds	-	106,865	106,862	3
State funds	26,900	33,678	33,521	157
U S Customs	-	2,587,114	2,587,112	2
	<u>72,800</u>	<u>3,813,479</u>	<u>3,807,687</u>	<u>5,792</u>
Total expenditures				
Net change in fund balances	(52,800)	(690,014)	(667,935)	22,079
Fund balances - beginning	<u>2,167,474</u>	<u>2,167,474</u>	<u>2,167,474</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,114,674</u>	<u>\$ 1,477,460</u>	<u>\$ 1,499,539</u>	<u>\$ 22,079</u>

Fayette County, Georgia
 Fines and Surcharges Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental:				
Jail Construction Surcharge	\$ 260,000	\$ 260,000	\$ 312,081	\$ 52,081
Victim Assistance	<u>105,000</u>	<u>151,224</u>	<u>167,717</u>	<u>16,493</u>
Total Intergovernmental	<u>365,000</u>	<u>411,224</u>	<u>479,798</u>	<u>68,574</u>
Fine Surcharges				
Jail Construction Surcharge	133,000	135,553	115,637	(19,916)
Victim Assistance	60,000	60,000	55,806	(4,194)
Drug Abuse Education Services	53,000	53,000	78,998	25,998
Juvenile Court Supervision	<u>27,000</u>	<u>28,200</u>	<u>29,938</u>	<u>1,738</u>
Total Fine Surcharges	<u>273,000</u>	<u>276,753</u>	<u>280,379</u>	<u>3,626</u>
Law Library	<u>55,000</u>	<u>56,339</u>	<u>63,183</u>	<u>6,844</u>
Total Fees	<u>55,000</u>	<u>56,339</u>	<u>63,183</u>	<u>6,844</u>
Total revenues	<u>693,000</u>	<u>744,316</u>	<u>823,360</u>	<u>79,044</u>
Expenditures:				
Current:				
Judicial System:				
Juvenile Court Supervision	28,800	30,000	23,230	6,770
Law Library	67,160	68,499	55,371	13,128
Victim Assistance	137,782	184,006	180,754	3,252
Drug Abuse Education Services	50,070	50,070	41,182	8,888
Public Safety:				
Jail Construction Surcharge	<u>480,495</u>	<u>483,048</u>	<u>479,864</u>	<u>3,184</u>
Total expenditures	<u>764,307</u>	<u>815,623</u>	<u>780,401</u>	<u>35,222</u>
Net change in fund balances	(71,307)	(71,307)	42,959	114,266
Fund balances - beginning	<u>356,475</u>	<u>356,475</u>	<u>356,475</u>	<u>-</u>
Fund balances - ending	<u>\$ 285,168</u>	<u>\$ 285,168</u>	<u>\$ 399,434</u>	<u>\$ 114,266</u>

Fayette County, Georgia
 Grants Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 264,204	\$ 264,204	\$ 264,204	\$ -
Juvenile Offenders Grant	-	16,785	16,785	-
Total revenues	<u>264,204</u>	<u>280,989</u>	<u>280,989</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	4,100	4,100	2,398	1,702
Judicial system	194,056	194,056	194,056	-
Capital outlay				
Public safety	111,186	111,186	101,709	9,477
Judicial system	4,493	4,493	4,493	-
Total expenditures	<u>313,835</u>	<u>313,835</u>	<u>302,656</u>	<u>11,179</u>
Other financing sources (uses):				
Transfers in	28,700	28,700	28,700	-
Total other financing uses	28,700	28,700	28,700	-
Net change in fund balances	(20,931)	(4,146)	7,033	(11,179)
Fund balances - beginning	15,466	15,466	15,466	-
Fund balances - ending	<u>\$ (5,465)</u>	<u>\$ 11,320</u>	<u>\$ 22,499</u>	<u>\$ (11,179)</u>

Fayette County, Georgia
Special Purpose L.O.S.T. Non-Major Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual

For the fiscal year ended June 30, 2011

	County Library			Variance Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 400	\$ 400
Total revenues	<u>-</u>	<u>-</u>	<u>400</u>	<u>400</u>
Expenditures:				
Current:				
Parks, Recreation and Culture:				
Library Services	108,137	108,137	81,451	26,686
Capital outlay:				
Intergovernmental	<u>1,019,768</u>	<u>1,019,768</u>	<u>388,073</u>	<u>631,695</u>
Total expenditures	<u>1,127,905</u>	<u>1,127,905</u>	<u>469,524</u>	<u>658,381</u>
Net change in fund balances	(1,127,905)	(1,127,905)	(469,124)	658,781
Fund balances - beginning	<u>1,153,393</u>	<u>1,153,393</u>	<u>1,153,393</u>	<u>-</u>
Fund balances - ending	<u>\$ 25,488</u>	<u>\$ 25,488</u>	<u>\$ 684,269</u>	<u>\$ 658,781</u>

Fayette County, Georgia
 Schedule of Projects Funded through Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)
 Road, Street, and Bridge Purposes
 For the fiscal year ended June 30, 2011

CITIES, TOWNS, AND UNINCORPORATED COUNTY PROJECTS - BY JURISDICTION (30 % Of Total Tax Proceeds)	ORIGINAL COST ESTIMATED	REVISED COST ESTIMATED	PRIOR YEARS EXPENDITURES	CURRENT YEAR EXPENDITURES	PRIOR YEARS INTEREST EARNED	CURRENT YEAR INTEREST EARNED
UNINCORPORATED FAYETTE COUNTY PROJECTS:						
INTERSECTIONS	\$ 2,450,000	\$ 2,450,000	\$ 653,620	\$ 41,861	\$ -	\$ -
ROADWAYS	14,330,767	14,330,767	12,392,892	18,357	-	-
INTEREST EARNED	-	-	-	-	462,020	3,326
TOTAL - UNINCORPORATED FAYETTE COUNTY PROJECTS	\$ 16,780,767	\$ 16,780,767	\$ 13,046,512	\$ 60,218	\$ 462,020	\$ 3,326
TOWN OF BROOKS PROJECTS:						
TOTAL - TOWN OF BROOKS PROJECTS	\$ 212,019	\$ 212,019	\$ 178,286	\$ 280	\$ 51	\$ -
CITY OF FAYETTEVILLE PROJECTS:						
TOTAL - CITY OF FAYETTEVILLE PROJECTS	\$ 4,247,327	\$ 4,247,327	\$ 3,571,554	\$ 5,612	\$ 604	\$ -
PEACHTREE CITY PROJECTS:						
TOTAL - PEACHTREE CITY PROJECTS	\$ 12,025,984	\$ 12,025,984	\$ 10,112,582	\$ 15,890	\$ 1,709	\$ -
TOWN OF TYRONE PROJECTS:						
TOTAL - TOWN OF TYRONE PROJECTS	\$ 1,491,083	\$ 1,491,083	\$ 1,253,843	\$ 1,970	\$ 359	\$ -
TOTAL - CITIES, TOWNS, AND UNINCORPORATED COUNTY PROJECTS	\$ 34,757,180	\$ 34,757,180	\$ 28,192,777	\$ 83,970	\$ 464,743	\$ 3,326
COUNTYWIDE PROJECTS (70 % Of Total Tax Proceeds)						
BRIDGES	\$ 3,670,000	\$ 3,670,000	\$ 131,805	\$ 321,861	\$ -	\$ -
INTERSECTIONS	3,657,400	3,657,400	613,565	874,504	-	-
ROADWAYS	67,975,787	67,975,787	10,755,226	3,916,637	-	-
STREETSCAPES/PATHS	5,796,900	5,796,900	729,778	-	-	-
INTEREST EARNED	-	-	-	-	3,688,988	201,042
TOTAL - COUNTY WIDE PROJECTS	\$ 81,100,087	\$ 81,100,087	\$ 12,230,374	\$ 5,113,002	\$ 3,688,988	\$ 201,042
TOTAL - ALL PROJECTS	\$ 115,857,267	\$ 115,857,267	\$ 40,393,151	\$ 5,196,972	\$ 4,153,731	\$ 204,368

Fayette County, Georgia
Schedule of Projects Funded through Special Purpose Local Option Sales Tax (SPLOST)
Road, Street, and Bridget Purposes
June 30, 2011

On November 2, 2004, a referendum was passed by Fayette County voters to impose a 1percent Special Purpose Local Option Sales Tax (SPLOST) for use solely for road, street, and bridge purposes in Fayette County.

The tax began April 1, 2005 and continued through March 31, 2010. The tax has been subdivided into two parts with 70 percent of the available funding earmarked for County-Wide Projects and the remaining 30 percent of available funding earmarked for use of projects sponsored by a city, town, or the unincorporated portion of Fayette County.

The 30 percent portion of the tax is further subdivided among the cities and towns within Fayette County and the unincorporated portion of Fayette County based upon the respective population share of each jurisdiction compared to the total population for Fayette County.

The County has used population data from the 2000 Census as published by the U.S. Census Bureau.

<u>Jurisdiction Name</u>	<u>Population Share</u>
Unincorporated Fayette County	48.28%
Town of Brooks	0.61%
City of Fayetteville	12.22%
Peachtree City	34.60%
Town of Tyrone	<u>4.29%</u>
Total	<u>100%</u>

Fayette County, Georgia

Schedule of Projects Funded through Special Sale Tax Proceeds S.P.L.O.S.T.

For the fiscal year ended June 30, 2011

Project	Year Approved	Original Cost Estimated	Expenditures 1993 - 1997	Expenditures 1998 - 2010	Expenditures 2011	Interest Earned	Surplus Funds
Library Construction and Services	November 1992	\$ 4,000,000	\$ 2,131,607	\$ 2,079,980	\$ 460,340	\$ 1,365,381	\$ 693,453

The library services S.P.L.O.S.T. revenues have constructed and furnished a 28,000 square foot library at a cost of \$3,354,981. The original project cost was \$4,000,000. The County's stewardship of these funds is evident. The total construction cost closed under budget saving \$645,019 for future library services and programs. The surplus funds from the original construction funded an expansion that was begun in the current fiscal year.

On November 3, 1992, a referendum was held on the question of a special 1% sales and use tax being imposed in Fayette County for a period of time not to exceed three (3) calendar quarters (nine (9) months) for the raising of no more than \$4,000,000.00 for the purpose of opening a new library within the County, and to include costs of construction, land acquisition, furnishings, equipment, books, and materials with any remaining funds to be used in improving libraries currently operating within the County.



Where Quality Is A Lifestyle

COMPONENT UNITS

Fayette County, Georgia Component Units

Fayette County Development Authority

The Fayette County Development Authority (the "Authority") was established by resolution of the Board of Commissioners of Fayette County pursuant to the enabling legislation of the Official Code of Georgia Annotated Section 36-62-4 (b). The purpose of the Authority is to develop and promote for the public good and general welfare, trade, commerce, industry and employment opportunities and to promote the general welfare within Fayette County. The Authority is a component unit of Fayette County, Georgia (the primary government) based upon operational and financial relationships with the County (as distinct from legal relationships).

The Fayette County Board of Commissioners appoints the Authority's governing board. The County provides a substantial portion of the Authority's revenue (\$290,312 in the year ended June 30, 2011). The Authority cannot levy taxes and cannot issue bonded debt without the approval of the Fayette County Board of Commissioners.

Fayette County Department of Public Health

The Fayette County Board of Health was created by House Bill 1068 (1984 GA Legislature), the department's governing body. The Board is made up of seven members, four are appointed by the County Board of Commissioners, two by Peachtree City (largest municipality of the County) and one appointed by the Fayette County Board of Education, Superintendent of Fayette County Schools.

The Fayette County Department of Public Health major functions are to (1) promote and encourage healthy behaviors by providing education and counseling and (2) provide preventative health care and education services to the general public. These services include, but are not limited to, communicable diseases, immunization, family planning, cancer screening, physical assessments, administering the WIC program, chronic diseases such as diabetes and hypertension, child health, and refugee services.

The Fayette County Department of Public Health adopts annual budgets in accordance with the programmatic requirements as issued by the Georgia Department of Human Resources. Fayette County Department of Public Health receives significant revenue from the Georgia Department of Human Resources. The County appropriates funds annually to cover a portion of its operating cost (\$328,944 in the year ended June 30, 2011).

The employees of the Health Department are employees of the State of Georgia, and participate in the Georgia State Employees Retirement System.

Fayette County, Georgia
Combining Statement of Net Assets
Component Units
June 30, 2011

	Fayette County Department of Public Health	Development Authority	Component Unit Totals
Assets:			
Cash in bank	\$ 518,952	\$ 320,614	\$ 839,566
Restricted cash	-	128,531	128,531
Receivables	33,016	19,610	52,626
Restricted Investment	-	750,000	750,000
Capital assets, net of depreciation	<u>7,487</u>	<u>212,170</u>	<u>219,657</u>
Total assets	<u>559,455</u>	<u>1,430,925</u>	<u>1,990,380</u>
Liabilities and net assets			
Liabilities:			
Accounts payable	35,853	4,113	39,966
Due in more than one year	46,688	-	46,688
Payable from restricted assets	<u>-</u>	<u>878,531</u>	<u>878,531</u>
Total liabilities	<u>82,541</u>	<u>882,644</u>	<u>965,185</u>
Net assets			
Invested in capital assets, net of related debt	7,487	212,170	219,657
Unrestricted	<u>469,427</u>	<u>336,111</u>	<u>805,538</u>
Total net assets	<u>\$ 476,914</u>	<u>\$ 548,281</u>	<u>\$ 1,025,195</u>

Fayette County, Georgia
Combining Statement of Activities
Component Units

For the Fiscal Year Ended June 30, 2011

Functions/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Development Authority	\$ 308,352	\$ -	\$ 14,821	\$ (293,531)
Health Department	1,392,672	673,653	676,652	(42,367)
Total Governmental Activities	1,701,024	673,653	691,473	(335,898)
General revenues:				
Investment earnings				1,169
Development Authority				5,822
Health Department				290,312
Payments from Fayette County - Development Authority				297,303
Total general revenues				297,303
Change in net assets				(38,595)
Net assets at beginning of year				1,063,790
Net assets at end of year				\$ 1,025,195



INTERNAL SERVICE FUNDS

Fayette County, Georgia
Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies or to other governmental units on a cost-reimbursement basis. The County uses the following internal service funds:

Worker's Compensation Self-Insurance Fund

The Worker's Compensation Self-Insurance Fund was established to provide resources for payment of workers' compensation claims of County employees. Individual departments are charge for worker's compensation based upon previous insurance carriers' cost charges.

Dental/Vision Self-Insurance Fund

The Dental/Vision Self-Insurance Fund was established to provide resources for payment of employee claims. The County's portion of the dental and vision cost is transferred to the self-insurance fund each pay period. The employee's portion of the cost is withheld from the employee and transferred to the self-insurance fund each pay period.

Medical Self-Insurance Fund

Fayette County established its Major Medical Self-Insurance Internal Service Fund in the 1991 fiscal year, and on June 1, 2002 became fully insured. On June 1, 2010 the county once again became self-insured The Employee Assistance Program (EAP) cost to the County is recorded in this fund as well as the annual expense for flu shots.

Vehicle Replacement Fund

The Vehicle Replacement Fund was established to provide resources for the County to replace vehicles. Replacement vehicles are purchased through this fund.

Fayette County, Georgia
Combining Statement of Net Assets
Internal Service Funds

June 30, 2011

ASSETS	<u>Self Insurance Fund</u>				<u>Total</u>
	<u>Worker's Compensation</u>	<u>Dental/Vision</u>	<u>Medical</u>	<u>Vehicle Replacement</u>	
Current Assets					
Unrestricted Cash	\$ 336,366	\$ 28,990	\$ 320,525	\$ 1,272,955	\$ 1,958,836
Restricted Cash	-	-	-	3,261,430	3,261,430
Investments	-	-	-	3,017,725	3,017,725
Accrued interest	28	-	-	-	28
Accounts receivable	7,862	-	499,416	252	507,530
Prepaid items	92,177	-	-	-	92,177
Total Current Assets	<u>436,433</u>	<u>28,990</u>	<u>819,941</u>	<u>7,552,362</u>	<u>8,837,726</u>
Noncurrent assets					
Capital assets					
Machinery and equipment	-	-	-	3,950,552	3,950,552
Vehicles	-	-	-	10,906,779	10,906,779
Total Capital Assets	-	-	-	14,857,331	14,857,331
Accumulated depreciation	-	-	-	(11,136,623)	(11,136,623)
Total Capital Assets (net of accumulated depreciation)	-	-	-	3,720,708	3,720,708
Other assets					
Unamortized Debt Issue Cost	-	-	-	188,384	188,384
Total Assets	<u>436,433</u>	<u>28,990</u>	<u>819,941</u>	<u>11,461,454</u>	<u>12,746,818</u>
LIABILITIES					
Current Liabilities					
Accounts payable	190	-	-	-	190
Claims payable	52,589	28,086	744,193	-	824,868
Total current liabilities	<u>52,779</u>	<u>28,086</u>	<u>744,193</u>	<u>-</u>	<u>825,058</u>
Long-Term Liabilities					
Certificates of Participation	-	-	-	3,220,000	3,220,000
Total long-term liabilities	-	-	-	3,220,000	3,220,000
Total Liabilities	<u>52,779</u>	<u>28,086</u>	<u>744,193</u>	<u>3,220,000</u>	<u>4,045,058</u>
NET ASSETS					
Invested in capital assets	-	-	-	3,720,708	3,720,708
Restricted for debt service	-	-	-	3,220,000	3,220,000
Unrestricted	383,654	904	75,748	1,300,746	1,761,052
Total Net Assets	<u>\$ 383,654</u>	<u>\$ 904</u>	<u>\$ 75,748</u>	<u>\$ 8,241,454</u>	<u>\$ 8,701,760</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds

For the fiscal year ended June 30, 2011

	<u>Self Insurance Fund</u>			Vehicle Replacement Fund	Total
	Workers' Compensation	Dental/Vision	Medical		
Operating Revenues:					
Charges to other funds	\$ -	\$ 315,697	\$ 3,272,543	\$ -	\$ 3,588,240
Employee contributions	-	99,333	1,512,741	-	1,612,074
Total Operating Revenues	<u>-</u>	<u>415,030</u>	<u>4,785,284</u>	<u>-</u>	<u>5,200,314</u>
Operating Expenses:					
Claims expense	345,238	406,642	6,213,769	-	6,965,649
Excess insurance purchased	64,443	-	-	-	64,443
Administrator's fees	25,600	7,491	211,211	-	244,302
Other services and charges	29,118	-	-	-	29,118
Acquisition of capital assets	-	-	-	14,629	14,629
Amortization expense	-	-	-	11,082	11,082
Depreciation expense	-	-	-	909,567	909,567
Total Operating Expenses	<u>464,399</u>	<u>414,133</u>	<u>6,424,980</u>	<u>935,278</u>	<u>8,238,790</u>
Operating Income (loss)	(464,399)	897	(1,639,696)	(935,278)	(3,038,476)
Non-Operating Revenues:					
Miscellaneous Revenues	-	-	-	224,987	224,987
Interest income	1,042	-	2,340	82,171	85,553
Total Non-Operating Revenues	<u>1,042</u>	<u>-</u>	<u>2,340</u>	<u>307,158</u>	<u>310,540</u>
Non-Operating Expenses:					
Interest expense	-	-	-	15,314	15,314
Net Loss on disposition of capital assets	-	-	-	16,709	16,709
Total Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,023</u>	<u>32,023</u>
Income (Loss) Before Transfers	<u>(463,357)</u>	<u>897</u>	<u>(1,637,356)</u>	<u>(660,143)</u>	<u>(2,759,959)</u>
Transfers from/(to) other funds					
General Fund	-	-	-	9,695	9,695
Capital Funds	-	-	-	64,228	64,228
Total Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,923</u>	<u>73,923</u>
Change in net assets	(463,357)	897	(1,637,356)	(586,220)	(2,686,036)
Total net assets-beginning of year	<u>847,011</u>	<u>7</u>	<u>1,713,104</u>	<u>8,827,674</u>	<u>11,387,796</u>
Total net assets-end of year	<u>\$ 383,654</u>	<u>\$ 904</u>	<u>\$ 75,748</u>	<u>\$ 8,241,454</u>	<u>\$ 8,701,760</u>

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2011

	Self Insurance Fund				Vehicle Replacement Fund	Totals
	Workers' Compensation	Dental/Vision	Medical	Medical		
Cash Flows from Operating Activities:						
Premiums Received from Other Funds	\$ -	\$ 315,697	\$ 3,272,543	\$ -	\$ -	\$ 3,588,240
Premiums Received from Employees	-	99,333	1,512,741	-	-	1,612,074
Claim Payments	(328,048)	(411,953)	(6,278,498)	-	-	(7,018,499)
Receipts from Charges for Services	-	-	-	-	-	-
Payments to Suppliers for Goods or Services	-	-	-	(14,781)	(14,781)	(14,781)
Insurance Purchases	(64,443)	-	-	-	-	(64,443)
Administrative and Other Charges	(54,718)	(7,491)	(211,211)	-	-	(273,420)
Net Cash Provided by (Used in) Operating Activities	(447,209)	(4,414)	(1,704,425)	(14,781)	(2,170,829)	(2,170,829)
Cash Flows from Noncapital Financing Activities:						
Receipts from Equity Transfer from General Fund	-	-	-	9,695	9,695	9,695
Receipts from Equity Transfer from Capital Projects Fund	-	-	-	289,215	289,215	289,215
Net Cash Provided by Noncapital Financing Activities	-	-	-	298,910	298,910	298,910
Cash Flows from Capital and Related Financing Activities:						
Purchase of Fixed Assets	-	-	-	(299,513)	(299,513)	(299,513)
Purchase of Investments	-	-	-	(3,017,725)	(3,017,725)	(3,017,725)
Payment of Interest on Certificates of Participation	-	-	-	(15,314)	(15,314)	(15,314)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	-	(3,332,552)	(3,332,552)	(3,332,552)
Cash Flows from Investing Activities:						
Interest on Checking	1,042	-	2,340	82,171	85,553	85,553
Net Cash Provided by Investing Activities	1,042	-	2,340	82,171	85,553	85,553
Net Increase (Decrease) in Cash and Cash Equivalents	(446,167)	(4,414)	(1,702,085)	(2,966,252)	(5,118,918)	(5,118,918)
Cash and Cash Equivalents at Beginning of Year	782,533	33,404	2,022,610	7,500,637	10,339,184	10,339,184
Cash and Cash Equivalents at End of Year	\$ 336,366	\$ 28,990	\$ 320,525	\$ 4,534,385	\$ 5,220,266	\$ 5,220,266
Classified As:						
Current Assets	\$ 336,366	\$ 28,990	\$ 320,525	\$ 4,534,385	\$ 5,220,266	\$ 5,220,266

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2011

	Self Insurance Fund		Vehicle
	Workers' Compensation	Dental/Vision	Medical
	Replacement Fund	Totals	Totals
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Operating Gain (Loss)	\$ (464,399)	\$ 897	\$ (1,639,696)
			\$ (935,278)
			\$ (3,038,476)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:			
Amortization Expense	-	-	-
Depreciation Expense	-	-	-
(Increase) Decrease in Current Assets	(15,414)	1,983	(499,074)
			11,082
			909,567
			165
			(512,340)
Increase (Decrease) in Current Liabilities:			
Other Payables	190	(549)	(1,523)
Estimated Claims Payable	32,414	(6,745)	435,868
			(317)
			-
			461,537
Total Adjustments	17,190	(5,311)	(64,729)
			920,497
Net Cash Provided by (Used in) Operating Activities	\$ (447,209)	\$ (4,414)	\$ (1,704,425)
			\$ (14,781)
			\$ (2,170,829)



Where Quality Is A Lifestyle

FIDUCIARY FUNDS

Fayette County, Georgia
 Fiduciary Funds
 Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 2011

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
TAX COMMISSIONER				
Assets				
Cash	\$ 144,356	\$ 159,977,456	\$ 159,948,864	\$ 172,948
Liabilities				
Due to Others	\$ 21,751	\$ 159,977,456	\$ 159,948,864	\$ 50,343
Tax Protest/Bankruptcy/Tax Sale	<u>122,605</u>	<u>-</u>	<u>-</u>	<u>122,605</u>
Total Liabilities	<u>\$ 144,356</u>	<u>\$ 159,977,456</u>	<u>\$ 159,948,864</u>	<u>\$ 172,948</u>
 SHERIFF				
Assets				
Cash	\$ 202,552	\$ 690,191	\$ 740,917	\$ 151,826
Liabilities				
Due to Others	\$ 202,552	\$ 690,191	\$ 740,917	\$ 151,826
Total Liabilities	<u>\$ 202,552</u>	<u>\$ 690,191</u>	<u>\$ 740,917</u>	<u>\$ 151,826</u>
 SUPERIOR COURT				
Assets				
Cash	\$ 1,073,125	\$ 4,445,013	\$ 4,543,535	\$ 974,603
Liabilities				
Due to Others	\$ 1,073,125	\$ 4,445,013	\$ 4,543,535	\$ 974,603
Total Liabilities	<u>\$ 1,073,125</u>	<u>\$ 4,445,013</u>	<u>\$ 4,543,535</u>	<u>\$ 974,603</u>
 STATE COURT				
Assets				
Cash	\$ 453,553	\$ 2,136,707	\$ 2,170,952	\$ 419,308
Liabilities				
Due to Others	\$ 453,553	\$ 2,136,707	\$ 2,170,952	\$ 419,308
Total Liabilities	<u>\$ 453,553</u>	<u>\$ 2,136,707</u>	<u>\$ 2,170,952</u>	<u>\$ 419,308</u>

Continued on next page.

Fayette County, Georgia
Fiduciary Funds
Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 2011

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
MAGISTRATE COURT				
Assets				
Cash	\$ 66,461	\$ 577,795	\$ 576,798	\$ 67,458
Liabilities				
Due to Others	\$ 66,461	\$ 577,795	\$ 576,798	\$ 67,458
Total Liabilities	<u>\$ 66,461</u>	<u>\$ 577,795</u>	<u>\$ 576,798</u>	<u>\$ 67,458</u>
 JUVENILE COURT				
Assets				
Cash	\$ 12,637	\$ 127,504	\$ 129,887	\$ 10,254
Liabilities				
Due to Others	\$ 12,637	\$ 127,504	\$ 129,887	\$ 10,254
Total Liabilities	<u>\$ 12,637</u>	<u>\$ 127,504</u>	<u>\$ 129,887</u>	<u>\$ 10,254</u>
 PROBATE COURT				
Assets				
Cash	\$ 200	\$ 370,634	\$ 338,348	\$ 32,486
Liabilities				
Due to Others	\$ 200	\$ 370,634	\$ 338,348	\$ 32,486
Total Liabilities	<u>\$ 200</u>	<u>\$ 370,634</u>	<u>\$ 338,348</u>	<u>\$ 32,486</u>
 TOTALS-ALL FIDUCIARY FUNDS				
Assets				
Cash	\$ 1,952,884	\$ 168,325,300	\$ 168,449,301	\$ 1,828,883
Liabilities				
Due to Other agencies or funds	\$ 1,830,279	\$ 168,325,300	\$ 168,449,301	\$ 1,706,278
Tax Protest/Bankruptcy/Tax Sale	<u>122,605</u>	<u>-</u>	<u>-</u>	<u>122,605</u>
Total Liabilities	<u>\$ 1,952,884</u>	<u>\$ 168,325,300</u>	<u>\$ 168,449,301</u>	<u>\$ 1,828,883</u>



Where Quality Is A Lifestyle

STATISTICAL SECTION
"UNAUDITED"

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how government's financial performance and well-being have changed over time.	91
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	97
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	101
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	105
Operating information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	107

FAYETTE COUNTY, GEORGIA
 Net Assets By Component
 Last Nine Fiscal Years
 (accrual basis of accounting)
 "Unaudited"

	Fiscal Year Ended June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Governmental activities										
Invested in capital assets, net of related debt	\$ 346,856	\$ 8,402,602	\$ 12,626,621	\$ 11,881,854	\$ 61,331,911	\$ 66,118,115	\$ 63,748,577	\$ 58,397,470	\$ 70,008,446	
Restricted	1,463,122	1,291,320	4,643,916	9,369,988	9,206,066	11,656,300	71,244,000	74,438,174	78,946,616	
Unrestricted	74,027,281	65,245,850	66,600,723	82,196,989	94,252,175	101,662,007	49,992,711	51,871,452	34,001,574	
Total governmental activities net assets	\$ 75,837,259	\$ 74,939,772	\$ 83,871,260	\$103,448,831	\$164,790,152	\$179,436,422	\$184,985,288	\$184,707,096	\$182,956,636	
Business-type activities										
Invested in capital assets, net of related debt	\$ 55,043,365	\$ 55,537,244	\$ 57,616,988	\$ 56,928,256	\$ 61,128,008	\$ 64,042,796	\$ 64,569,214	\$ 49,359,571	\$ 43,836,627	
Restricted	8,844,631	9,817,295	11,095,278	11,073,367	12,661,526	12,010,175	6,284,372	12,918,243	14,127,960	
Unrestricted	4,874,309	4,272,575	3,329,148	4,355,880	4,172,974	2,872,031	8,304,049	16,880,892	21,845,727	
Total business-type activities net assets	\$ 68,762,305	\$ 69,627,114	\$ 72,041,414	\$ 74,357,503	\$ 77,962,508	\$ 78,925,002	\$ 79,157,635	\$ 79,158,706	\$ 79,810,514	
Primary government										
Invested in capital assets, net of related debt	\$ 55,390,221	\$ 63,939,846	\$ 70,243,609	\$ 70,810,110	\$122,459,919	\$130,160,911	\$128,317,791	\$107,757,041	\$113,845,273	
Restricted	10,307,753	11,108,615	15,739,194	20,443,355	21,867,592	23,666,475	77,528,372	87,356,417	93,074,576	
Unrestricted	78,901,590	69,518,425	69,929,871	86,552,869	98,425,149	104,534,038	56,296,760	66,752,344	55,847,301	
Total primary government net assets	\$144,599,564	\$144,566,886	\$155,912,674	\$177,806,334	\$242,752,660	\$258,361,424	\$264,142,923	\$263,865,802	\$262,767,150	

Data for the last nine years is being reported. Data prior to GASB 34 implementation (2003) is not available.

FAYETTE COUNTY, GEORGIA
 CHANGES IN NET ASSETS
 LAST NINE FISCAL YEARS
 (accrual basis of accounting)
 "Unaudited"

	For the Fiscal Year Ended June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Expenses										
Primary government:										
General government	\$ 13,082,785	\$ 15,045,408	\$ 8,734,408	\$ 13,589,479	\$ 13,217,872	\$ 19,913,322	\$ 15,816,215	\$ 17,477,463	\$ 13,911,254	
Judicial	3,878,507	8,727,224	4,336,761	4,677,929	5,401,526	5,650,814	5,800,998	5,607,459	5,150,662	
Public safety	23,806,488	21,690,558	25,422,795	29,331,567	31,310,184	31,978,900	34,914,755	33,801,423	34,914,150	
Public works	5,037,712	5,228,876	4,611,615	5,433,833	15,643,667	7,673,140	13,866,560	13,183,402	10,040,669	
Health and welfare	641,558	598,801	819,266	689,879	705,001	719,934	726,382	695,438	761,169	
Culture and recreation	1,728,369	2,006,950	1,774,572	1,871,303	7,418,659	1,058,911	2,208,201	2,869,310	2,511,883	
Planning and community development	1,501,851	1,463,997	1,435,272	1,460,636	1,555,478	1,392,864	1,418,307	1,250,287	1,277,307	
Interest on long-term debt and fiscal charges	3,301,823	4,231,058	3,152,414	3,156,175	3,043,276	3,375,326	2,717,850	2,785,637	2,182,282	
Total governmental activities expenses	52,979,093	58,992,872	50,287,103	60,210,801	78,295,663	71,763,211	77,469,268	77,680,419	70,749,376	
Business-type activities										
Water System	12,101,616	12,358,203	12,411,434	12,394,341	13,036,293	12,635,303	12,890,913	13,083,162	13,336,098	
Solid Waste	158,423	147,731	149,197	121,420	138,082	160,688	165,620	162,341	163,806	
Total business-type activities expenses	12,260,039	12,505,934	12,560,631	12,515,761	13,174,375	12,795,991	13,056,533	13,245,503	13,499,904	
Total primary government expenses	\$ 65,239,132	\$ 71,498,806	\$ 62,847,734	\$ 72,726,562	\$ 91,470,038	\$ 84,559,202	\$ 90,525,801	\$ 90,925,922	\$ 84,249,280	
Program revenues										
Primary government:										
General government	\$ 597,872	\$ 651,272	\$ 1,296,466	\$ 521,225	\$ 940,273	\$ 1,424,473	\$ 1,090,531	\$ 1,514,489	\$ 4,194,091	
Judicial	2,878,715	2,502,618	2,584,575	2,597,880	2,362,746	2,401,949	2,607,184	2,474,750	2,695,620	
Public safety	3,317,996	4,043,766	4,162,141	5,267,301	5,233,571	4,352,712	7,222,617	5,139,419	6,708,138	
Public works	-	-	413,361	438,362	10,076	8,001	5,928	7,170	211,542	
Culture and recreation	151,825	201,582	218,950	189,840	186,265	222,459	211,795	240,786	282,661	
Planning and community development	28,870	51,983	562,363	665,972	672,849	60,755	20,910	10,861	210,985	
Operating grants and contributions	34,616	129,527	85,068	808,590	5,600	20,582	23,148	31,935	-	
Total governmental activities program revenues	7,009,834	7,580,748	9,342,924	10,489,170	9,411,380	8,490,931	11,182,113	9,519,410	14,303,037	
Business-type activities										
Water System	13,309,711	13,066,192	14,292,413	14,692,715	16,251,262	13,580,406	13,588,224	13,762,617	14,669,299	
Solid Waste	158,097	201,068	128,705	141,413	361,200	85,380	109,122	120,708	140,382	
Total business-type activities program revenues	\$ 13,467,808	\$ 13,267,260	\$ 14,421,118	\$ 14,834,128	\$ 16,612,462	\$ 13,665,786	\$ 13,697,346	\$ 13,883,325	\$ 14,808,681	
Total Primary government program revenues	\$ 20,477,642	\$ 20,848,008	\$ 23,764,042	\$ 25,323,298	\$ 26,023,842	\$ 22,156,717	\$ 24,879,459	\$ 23,402,735	\$ 29,111,718	

(continued)

FAYETTE COUNTY, GEORGIA

CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(accrual basis of accounting)
"Unaudited"

	For the Fiscal Year Ended June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (expenses)/revenues									
Governmental activities	\$ (45,969,259)	\$ (51,412,124)	\$ (40,944,179)	\$ (49,721,631)	\$ (66,884,283)	\$ (63,272,280)	\$ (66,287,155)	\$ (68,161,009)	\$ (66,446,339)
Business-type activities	1,207,769	641,738	1,860,487	2,318,367	3,439,087	869,796	640,813	637,822	1,308,777
Total primary government net expense	(44,761,490)	(50,770,386)	(39,083,692)	(47,403,264)	(63,445,196)	(62,402,483)	(65,646,342)	(67,523,187)	(65,137,562)
General Revenues and Other Changes in Net Assets									
Primary government:									
Taxes									
Property taxes	24,338,916	32,538,816	30,178,341	32,103,630	33,238,968	37,601,739	37,627,125	39,052,755	37,981,404
Sales taxes	7,889,458	8,737,301	9,092,051	10,296,451	10,654,218	10,313,833	8,990,109	9,635,056	9,572,548
Other taxes	9,685,632	2,915,465	2,495,302	2,874,588	2,966,242	960,291	1,041,225	1,224,064	1,311,971
Special Purpose Local Option Sales Taxes	-	-	3,242,853	16,676,100	17,711,729	20,462,347	15,103,230	12,284,894	160,567
Licenses and permits	405,163	535,467	-	-	-	-	-	-	-
Intergovernmental	3,590,403	4,226,291	1,324,636	2,880,454	3,146,118	2,863,703	5,957,783	3,654,944	1,580,095
Gain on sale of capital assets	60,867	26,103	86,466	20,511	61,996	132,620	59,595	61,790	16,329
Investment earnings	907,353	749,668	1,916,256	3,194,159	5,186,857	4,149,265	1,424,672	764,894	391,771
Miscellaneous	611,946	905,114	982,332	663,405	1,077,945	817,807	1,004,306	520,363	2,975,137
Transfers	-	-	557,420	589,904	607,179	596,940	627,976	714,057	706,057
Total governmental activities	\$ 47,489,948	\$ 50,634,225	\$ 49,875,667	\$ 69,299,202	\$ 74,651,252	\$ 77,918,545	\$ 71,836,021	\$ 67,882,817	\$ 54,695,879
Business-type activities:									
Gain on sale of capital assets	105,840	15,000	700	12,582	-	6,192	2,605	3,707	-
Investment earnings	198,300	88,478	253,588	550,275	747,261	572,483	130,550	30,456	5,552
Miscellaneous	147,503	5	428,093	24,769	26,836	110,963	86,641	43,144	43,536
Transfers	-	-	(557,420)	(589,904)	(607,179)	(596,940)	(627,976)	(714,057)	(706,057)
Total business-type activities	\$ 451,643	\$ 103,483	\$ 124,961	\$ (2,278)	\$ 166,918	\$ 92,698	\$ (408,180)	\$ (636,751)	\$ (656,969)
Total primary government	\$ 47,941,591	\$ 50,737,708	\$ 50,000,628	\$ 69,296,924	\$ 74,818,170	\$ 78,011,248	\$ 71,427,841	\$ 67,246,066	\$ 54,038,910
Change in Net Assets									
Governmental activities	\$ 1,520,689	\$ (777,899)	\$ 8,931,488	\$ 19,577,571	\$ 5,766,969	\$ 14,646,270	\$ 5,548,866	\$ (278,192)	\$ (1,750,460)
Business-type activities	1,659,412	745,221	1,985,448	2,316,089	3,605,005	962,494	232,633	1,071	651,808
Total primary government	\$ 3,180,101	\$ (32,678)	\$ 10,916,936	\$ 21,893,660	\$ 9,371,974	\$ 15,608,764	\$ 5,781,499	\$ (277,121)	\$ (1,098,652)

Data for the last nine years is being reported. Data prior to GASB 34 implementation (2003) is not available.

FAYETTE COUNTY, GEORGIA

Last Ten Fiscal Years
(modified accrual basis of accounting)
"Unaudited"

	Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Nonspendable	\$ 52,330	\$ 61,348	\$ 36,069	\$ 163,353	\$ 122,625	\$ 377,156	\$ 88,642	\$ 987,514	\$ 205,194	\$ 260,351
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	2,330,366	2,120,238	2,031,035	13,935,199	14,402,177	15,385,577	14,057,471	13,661,922	13,365,551	13,633,544
Assigned	3,795,846	3,294,319	4,163,185	12,676,231	12,522,153	15,364,703	17,525,416	13,045,947	13,974,440	11,175,508
Nonassigned	16,202,743	19,183,780	20,895,612	1,784,217	2,388,382	-	-	5,257,956	7,448,518	12,203,941
Total General Fund	\$22,381,285	\$24,659,685	\$27,125,901	\$28,559,000	\$29,435,337	\$31,127,436	\$ 31,671,529	\$ 32,953,339	\$ 34,993,703	\$ 37,273,344
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 6,619	\$ -	\$ -	\$ 704	\$ 48,251	\$ 55,465	\$ 33,326
Restricted	1,653,205	1,985,569	2,270,675	4,806,227	21,316,199	37,088,062	51,116,478	58,828,786	63,055,225	58,093,811
Committed	60,608	5,534,297	796,497	1,660,429	1,612,077	10,734	2,363,877	2,651,440	2,618,608	2,688,823
Assigned	37,528,306	25,959,092	22,581,855	22,452,004	25,877,242	24,486,945	22,326,868	21,981,128	21,559,973	11,414,144
Total All Other Governmental Funds	\$39,242,119	\$33,478,958	\$25,649,027	\$28,925,279	\$48,805,518	\$61,585,741	\$ 75,807,927	\$ 83,509,605	\$ 87,289,271	\$ 72,230,104
Total Governmental Funds	\$61,623,404	\$58,138,643	\$52,774,928	\$57,484,279	\$78,240,855	\$92,713,177	\$107,479,456	\$116,462,944	\$122,282,974	\$109,503,448

FAYETTE COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)
"Unaudited"

	Fiscal Year Ending June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes*	\$ 40,066,861	\$ 41,028,475	\$ 43,529,775	\$ 45,085,843	\$ 62,441,421	\$ 65,113,592	\$ 68,867,738	\$ 62,761,689	\$ 62,166,769	\$ 48,092,665
Licenses and permits	729,437	405,163	535,467	745,967	841,083	866,102	698,374	414,314	424,201	451,172
Intergovernmental	3,237,852	3,590,403	4,226,290	4,677,370	2,880,454	3,398,318	2,883,703	5,957,783	3,654,944	1,580,095
Charges for services	-	4,686,386	4,847,003	4,727,117	5,070,445	5,192,711	4,729,453	5,134,297	5,142,649	5,570,018
Fines and forfeitures	2,252,351	2,096,707	2,303,760	2,193,837	3,239,194	3,124,534	2,757,345	5,293,648	3,142,726	4,461,473
Investment Income	-	2,081,945	592,460	1,222,210	2,697,022	4,452,242	3,688,800	1,236,042	334,924	510,585
Miscellaneous	-	34,616	9,939	39,875	808,590	896,329	20,582	23,148	520,363	1,138,077
Contributions	8,505,515	446,196	546,676	990,392	658,057	5,600	733,744	912,629	31,935	27,767
Total revenues	54,792,016	54,369,891	56,591,370	59,682,611	78,636,266	83,039,428	84,379,739	81,733,550	75,418,511	61,831,852
Expenditures										
General government	\$ 4,441,482	\$ 6,962,277	\$ 7,433,934	\$ 7,754,982	\$ 7,942,522	\$ 8,037,744	\$ 8,165,598	\$ 8,424,786	\$ 7,689,333	\$ 8,038,927
Judicial	3,294,422	3,779,507	4,020,094	4,290,835	4,619,714	5,370,540	5,674,771	5,808,638	5,552,734	13,459,800
Public safety	19,643,429	22,709,542	24,002,693	24,832,261	26,516,676	29,628,121	30,946,091	32,824,740	31,436,915	32,862,460
Public works	6,365,787	4,800,697	4,828,440	4,599,815	5,187,962	4,781,461	4,657,639	4,000,116	3,631,377	5,356,961
Health and welfare	575,413	641,558	637,974	819,266	689,879	705,001	719,934	726,382	695,438	751,169
Culture and recreation	1,396,527	1,532,083	1,751,545	1,551,419	1,768,694	1,902,937	2,070,906	2,146,860	1,980,568	1,917,872
Planning & community development	833,499	1,489,063	1,460,306	1,442,581	1,438,092	1,552,728	1,429,689	1,405,259	1,242,377	1,268,371
Capital Outlay	29,953,560	18,378,722	11,768,883	4,025,852	3,903,023	12,090,140	8,654,396	10,278,522	9,622,634	9,399,329
Intergovernmental	-	-	-	-	-	-	3,174,938	2,975,587	2,183,858	23,752
Debt service:	8,748,709	-	-	-	-	-	-	-	-	-
Principal retirement	-	1,010,000	1,676,902	1,758,656	1,849,800	1,937,428	2,031,612	2,132,423	2,239,941	864,247
Interest and fiscal charges	-	2,831,957	3,156,311	3,074,266	2,989,997	2,899,990	2,804,831	2,704,166	2,597,403	1,306,503
Paying agent fees/bonds	-	-	1,175	1,175	2,225	1,671	1,546	1,436	1,364	450
Total expenditures	75,252,828	64,135,406	60,738,257	54,151,108	56,908,604	68,907,761	70,331,951	73,428,935	68,873,942	75,259,841
Excess (deficiency) of revenues over expenditures	(20,460,812)	(9,765,515)	(4,146,887)	5,531,503	21,727,662	14,131,667	14,047,788	8,304,615	6,544,569	(13,427,999)

(Continued)

Debt Service as a percentage of noncapital expenditures 23.9% 9.2% 11.0% 10.7% 10.1% 9.3% 9.0% 8.7% 9.3% 3.4%

*Fiscal years 2005-2010 included a 1% special purpose local option sales tax for road, street, and bridge purposes.

FAYETTE COUNTY, GEORGIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 "Unaudited"

	Fiscal Year Ending June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other financing sources (uses)										
Proceeds from capital lease	\$ -	\$ 7,760,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	6,410,418	3,579,658	2,491,003	5,036,640	6,887,887	6,873,563	11,857,799	7,989,541	5,872,157	4,781,077
Transfers out	(6,542,566)	(5,119,771)	(3,731,835)	(5,945,258)	(7,879,484)	(6,594,904)	(11,271,927)	(7,370,264)	(6,658,486)	(4,148,943)
Proceeds from sale of capital assets	11,512	60,867	24,004	86,466	20,511	61,996	132,620	59,595	61,790	16,329
Proceeds of Revenue Bonds	50,068,507	-	-	-	-	-	-	-	-	-
Payment to Refund Bond Escrow Agent	(49,668,978)	-	-	-	-	-	-	-	-	-
Proceeds of Refunding Certificates	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Certificates Escrow Agent	-	-	-	-	-	-	-	-	-	-
Beginning Fund Balance Restated	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total of other financing sources (uses)	278,893	6,280,754	(1,216,828)	(822,152)	(971,086)	340,655	718,492	678,872	(724,539)	648,463
Net change in fund balance	\$ (20,181,919)	\$ (3,484,761)	\$ (5,363,715)	\$ 4,709,351	\$ 20,756,576	\$ 14,472,322	\$ 14,766,279	\$ 8,983,487	\$ 5,820,030	\$ (12,779,526)

FAYETTE COUNTY, GEORGIA
 LOCAL OPTION SALES TAX PROCEEDS
 Last Ten Calendar Years
 "Unaudited"

Levy Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Collection of Prior Years Taxes	Total Tax Collection	Ratio of Total Tax Collections To Total Tax Levy	Outstanding Delinquent Tax	Ratio of Delinquent Tax To Total Tax Levy	Local Option Sales Tax Proceeds (1)
2002	98,318,458	95,804,711	97.44%	1,231,744	\$97,036,456	98.70%	2,666,609	2.71%	8,058,581
2003	98,383,520	106,593,238	108.34%	1,391,020	\$107,984,259	109.76%	3,930,126	3.99%	7,889,458
2004	108,827,457	106,001,805	97.40%	1,448,920	\$107,450,726	98.73%	4,011,248	3.69%	8,737,001
2005	118,001,735	114,100,400	96.69%	1,557,474	\$115,657,875	98.01%	3,629,115	3.08%	9,092,061
2006	124,459,002	121,851,632	97.91%	2,131,166	\$123,982,798	99.62%	3,727,920	3.00%	13,155,414
2007	133,958,330	131,657,606	98.28%	2,016,370	\$133,673,976	99.79%	3,813,117	2.85%	10,654,218
2008	144,974,057	138,257,418	95.37%	1,568,262	\$139,825,680	96.45%	3,527,833	2.43%	10,313,833
2009	154,107,697	149,091,541	96.75%	2,804,678	\$151,896,219	98.56%	5,131,263	3.33%	8,990,109
2010	157,080,795	151,371,828	96.37%	4,148,962	\$155,520,790	99.01%	6,005,110	3.82%	9,635,056
2011	140,148,922	134,663,746	96.09%	5,881,524	\$140,545,271	100.28%	1,926,514	1.37%	9,572,548

(1) Includes only local option sales tax proceeds received by Fayette County. Does not include local option sales tax proceeds received by the City of Fayetteville, the City of Peachtree City, the Town of Tyrone, the Town of Brooks, or the Town of Woolsey.

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years
 (In Thousands)
 "Unaudited"

Year	Real Property		Personal Property		Privately Owned Public Utilities		Total Property		Freeport- Homestead Exemption	Net Assessed Value	Total Direct Tax Rate	Ratio Total Assessed Value to Total True Value
	Assessed Valued	Estimated True Value	Assessed Valued	Estimated True Value	Assessed Valued	Estimated True Value	Assessed Valued	Estimated True Value				
2002	2,769,201	6,923,001	676,250	1,690,626	57,599	143,998	3,503,050	8,757,625	236,391	3,266,659	\$ 32.45	40.00%
2003	3,096,054	7,740,135	686,184	1,715,461	61,966	154,916	3,844,204	9,610,512	235,677	3,608,527	\$ 31.71	40.00%
2004	3,379,741	8,449,353	675,928	1,689,820	62,756	156,890	4,118,425	10,296,063	235,057	3,883,368	\$ 32.20	40.00%
2005	3,714,393	9,285,983	667,973	1,669,933	64,305	160,762	4,446,671	11,116,678	236,660	4,210,011	\$ 31.58	40.00%
2006	4,139,511	10,348,778	322,690	805,725	64,757	161,893	4,526,958	11,317,395	190,619	4,336,339	\$ 30.88	40.00%
2007	4,452,241	11,130,603	334,573	836,433	64,713	161,783	4,851,527	12,128,819	216,665	4,634,862	\$ 30.19	40.00%
2008	4,746,452	12,699,119	332,100	891,980	70,522	176,305	5,149,074	13,767,403	221,878	4,927,196	\$ 29.83	40.00%
2009	4,886,730	12,216,825	350,357	875,893	67,292	168,230	5,304,379	13,260,948	222,280	5,082,099	\$ 32.10	40.00%
2010	4,919,137	12,297,843	353,933	884,833	71,407	178,518	5,344,477	13,361,193	290,048	5,054,429	\$ 31.61	40.00%
2011	4,548,164	11,370,410	336,972	842,432	73,324	183,312	4,958,460	12,396,154	370,429	4,588,031	\$ 29.84	40.00%

Note: Property is reassessed annually. The county assesses property at 40 percent of the fair market value for all real and personal property.

FAYETTE COUNTY, GEORGIA

LAST TEN FISCAL YEARS
 (rate per \$1,000 of assessed value)
 "Unaudited"

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	Fiscal Year Ended June 30									
Fayette County Unincorporated	6.64	6.19	5.87	5.42	5.19	4.89	5.43	5.40	5.40	5.40
Fayette County Board of Education	21.78	21.69	22.69	22.68	22.35	22.15	22.15	23.92	23.42	21.65
Fire District	3.78	3.58	3.39	3.23	3.09	2.91	2.00	1.99	1.99	1.99
EMS District	n/a	n/a	n/a	n/a	n/a	n/a	0.55	0.55	0.55	0.55
State	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total	32.45	31.71	32.20	31.58	30.88	30.19	30.38	32.10	31.61	29.84

FAYETTE COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
 "Unaudited"

Taxpayer	2011				2002			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
NCR Corporation	\$ 34,221,404	1	0.64%	\$ 41,672,672	1	1.19%		
DDRTC Fayette Pavilion III & IV & C/C	17,259,208	2	0.32%					
DDRTC Fayette Pavilion I & II & C/O I	12,581,324	6	0.24%					
DDRTC Fayette Pavilion I & II & C/O I	16,206,880	4	0.30%					
Coweta-Fayette EMC	16,808,918	3	0.00%	15,153,145	7	0.43%		
Matsushita Communication Corp	-	8	0.22%	26,586,467	2	0.76%		
Hoshizaki America Inc	11,742,161	7	0.22%	21,576,979	6	0.62%		
Atlanta Gas Light	11,925,199	9	0.20%					
Georgia Power Company	10,710,014	10	0.19%					
Dixie Aerospace, Inc.	10,241,060	5	0.24%					
Bellsouth Telecommunication	12,856,188							
AMLI Residential Prop	-			7,247,059	10	0.21%		
TDK/Electronic Corporation	-			23,830,091	4	0.68%		
Photocircuits Corporation	-			22,466,089	5	0.64%		
Fasson Roll Division	-			11,006,473	9	0.31%		
Fourth Quarter Properties	-			25,130,890	3	0.72%		
Lawson Mardon Packaging Co.	-			11,335,374	8	0.32%		
Totals	\$ 154,552,356		2.58%	\$ 206,005,239		5.88%		
Total taxable assessed value	\$ 4,958,460			\$ 3,503,049,483				

Source: Fayette County Tax Commissioner

FAYETTE COUNTY, GEORGIA

LAST TEN FISCAL YEARS
"Unaudited"

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)
	General Obligation Bonds	Revenue Bonds Lease Purchase Obligations	Certificate of Participation	Capital Lease Obligations	Water Revenue Bonds					
2002	\$ -	\$ 57,590,000	\$ 5,000,000	\$ -	44,210,000			\$ 106,800,000	2.97%	
2003	-	56,580,000	5,000,000	7,760,000	47,145,000			116,485,000	3.17%	
2004	-	55,525,000	5,000,000	7,138,098	45,735,000			113,398,098	2.91%	
2005	-	54,420,000	5,000,000	6,484,442	44,270,000			110,174,442	2.74%	
2006	-	53,255,000	5,000,000	5,799,642	42,740,000			106,794,642	2.58%	
2007	-	52,035,000	5,000,000	5,082,214	41,150,000			103,267,214	2.40%	
2008	-	50,755,000	5,000,000	4,463,309	39,490,000			99,708,309	2.34%	
2009	-	49,410,000	3,981,203	3,672,183	37,760,000			94,823,386	2.11%	
2010	-	47,995,000	3,220,000	2,786,133	57,970,000			111,971,133	2.31%	
2011	-	40,300,000	3,220,000	1,878,632	55,080,000			100,478,632	2.18%	

(1) Source: The Bureau of Economic Analysis, U.S. Department of Commerce

FAYETTE COUNTY, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011
 "Unaudited"

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Fayette County Board of Education (a)	\$ 79,728,368	100%	\$ 79,728,368
Peachtree City (b)	4,815,000	100%	5,425,000
Subtotal, overlapping debt			85,153,368
Fayette County Public Facilities Authority	40,300,000	100%	40,300,000
Total direct and overlapping debt			<u>\$ 125,453,368</u>

(a) Data provided by Fayette County Board of Education Finance Office.

(b) Data provided by Peachtree City Finance Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses.

FAYETTE COUNTY, GEORGIA

STATEMENT OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
"Unaudited"

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 350,305,000	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 350,305,000	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-
Legal Debt margin Calculation for the last ten years.										
Assessed value	\$ 3,503,050,000	\$ 3,844,204,000	\$ 4,118,425,000	\$ 4,446,671,000	\$ 4,526,958,000	\$ 4,851,527,000	\$ 5,506,961,000	\$ 5,304,379,000	\$ 5,344,477,000	\$ 4,958,460,000
Debt limit (10% of assessed value)	350,305,000	384,420,400	411,842,500	444,667,100	452,695,800	485,152,700	550,696,100	530,437,900	534,447,700	495,846,000
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount set aside for repayment of General obligation debt	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 350,305,000	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000

Note: Under state finance law, the County's outstanding general obligation debt should not exceed 10 percent of total assessed property value (gross digest).
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

FAYETTE COUNTY, GEORGIA

Last Ten Fiscal Years

REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS

"Unaudited"

	Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Revenues (1)	\$ 11,272,140	\$ 11,046,078	\$ 11,550,276	\$ 11,887,582	\$ 12,463,488	\$ 13,542,889	\$ 12,285,527	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067
Operating Expenses (1)	4,508,066	5,000,024	5,570,037	5,697,835	5,298,587	5,879,900	5,793,108	6,104,440	6,163,479	6,559,007
Net Revenue Available for Debt Service (2)	6,764,074	6,046,054	5,980,239	6,189,747	7,164,901	7,663,089	6,492,419	6,386,867	7,180,775	7,730,060
Debt Service Payments	3,553,872	3,242,372	3,654,175	3,648,231	3,650,154	3,644,350	3,645,224	3,641,311	4,351,288	5,440,539
Coverage	1.90	1.86	1.64	1.70	1.96	2.10	1.78	1.75	1.65	1.42

(1) Refer to "Statement of Revenue, Expenses, and Changes in Fund Net Assets" (page 23)

(2) Represents revenue before depreciation and non-operating revenues and expenses.

FAYETTE COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS "Unaudited"

Fiscal Year	Population (1)	Personal Income		Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
		(amounts expressed in thousands) (2)	Per Capita Personal Income			
2002	96,436	\$ 3,593,000	\$ 37,258	38.8	20,817	3.0%
2003	98,837	\$ 3,675,000	\$ 37,182	38.9	21,239	3.0%
2004	101,333	\$ 3,895,000	\$ 38,438	39	21,624	2.9%
2005	101,500	\$ 4,016,000	\$ 39,567	39	22,338	4.6%
2006	103,700	\$ 4,136,000	\$ 39,884	39	22,513	4.3%
2007	104,248	\$ 4,259,600	\$ 40,860	40	22,214	4.0%
2008	105,400	\$ 4,266,407	\$ 40,691	40	22,108	5.4%
2009	106,465	\$ 4,484,620	\$ 42,384	40	22,047	5.7%
2010	106,788	\$ 4,838,366	\$ 45,474	42	21,274	7.9%
2011	106,567	\$ 4,614,827	\$ 43,215	42	21,120	9.0%

- (1) Source: United States Census
- (2) Source: The Bureau of Economic Analysis
- (3) Source: United States Census
- (4) Source: Fayette County Board of Education
- (5) Source: Georgia Department of Labor

FAYETTE COUNTY, GEORGIA
Principal Employers
Current Year
"Unaudited"

Employer	2011		
	Employees	Rank	Percentage of Total County Employment
Piedmont Fayette Hospital	1,435	1	3.14%
NCR	850	2	1.86%
Cooper Lighting	550	3	1.20%
Hoshizaki America, Inc	500	4	1.09%
Panasonic	460	5	1.01%
World Airways	275	6	0.60%
APAC - Georgia	200	7	0.44%
FAA Tracon	190	8	0.42%
Alenco, Inc	181	9	0.40%
Avery Dennison	180	10	0.39%
Total	4,821		10.53%

Source: Development Authority of County
Georgia Department of Labor

FAYETTE COUNTY, GEORGIA
 FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 "Unaudited"

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	107	107	107	113	113	120	125	124	113	111
Judicial	45	50	50	53	54	58	58	58	56	56
Public Safety										
Animal Control	5	5	5	5	6	6	6	7	7	7
Coroner	3	3	3	3	3	3	3	3	3	3
Emergency 911	30	30	30	30	30	36	36	36	36	36
Emergency Services	24	34	34	37	41	45	47	47	47	47
Fire	86	90	90	93	97	99	105	105	105	105
Marshal	10	10	10	10	10	12	12	12	11	11
Sheriff	149	215	212	214	216	217	230	230	230	230
Total Public Safety	307	387	384	392	403	418	439	440	439	439
Public Works										
Roads	47	47	47	49	47	49	50	51	48	45
Water System	65	66	65	61	62	62	62	63	62	61
Stormwater Management	-	-	-	-	-	-	-	-	5	5
Planning & Development	22	22	22	19	20	20	21	21	14	14
Culture and Recreation	14	19	19	17	17	18	19	19	18	17
Solid Waste Management	2	2	2	-	1	1	1	1	1	1
Total	609	700	696	704	717	746	776	777	756	749

Source: Fayette County Human Resources Department, Fayette County Budget Document

FAYETTE COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
"Unaudited"

FUNCTION	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Number of Registered Voters	60,422	62,730	63,637	67,851	70,000	71,000	71,000	75,967	75,448	76,980
Number of Parcels assessed	37,643	38,110	39,194	39,194	40,348	41,709	42,000	42,479	42,479	42,479
Judicial										
Civil cases	771	1,443	1,543	1,570	n/a	1,120	1,875	2,341	2,294	2,325
Criminal cases	526	844	816	825	n/a	903	875	872	887	900
Firearms licenses	686	765	902	969	1,256	838	893	937	2,074	2,074
Juvenile cases filed	1,655	1,750	1,948	2,025	2,100	2,007	2,500	1,961	1,379	1,379
Marriage licenses	610	719	666	699	1,100	633	697	641	618	618
Passports	925	613	310	251	360	261	288	665	492	492
Real estate instruments filed	38,715	48,903	34,152	35,125	n/a	33,193	30,500	18,449	18,800	18,800
Public Safety										
Average daily jail population	234	246	226	217	220	228	228	261	256	256
Burning permits (2)	12,250	12,302	13,586	15,161	12,700	15,161	0	0	0	0
Emergency response activity	5,051	5,021	5,792	6,463	6,250	6,418	6,418	6,613	6,588	7,284
Fire/EMS dispatch (1)	9,239	9,239	10,625	10,874	11,589	n/a	11,970	12,010	12,797	13,441
Law enforcement dispatch (1)	51,372	51,372	44,827	46,070	46,737	n/a	n/a	n/a	45,554	45,950
Traffic tickets written	7,403	2,189	1,765	2,546	2,650	2,450	1,425	5,624	10,609	10,609
Public Works										
Number of vehicles serviced	191	200	195	220	196	198	194	340	484	336
Street maintenance (Miles)	464	466	466	475	478	510	601	687	576	529
Water production (million gallons per day)	2,917	2,719	8.7	9.0	9.1	7.9	8.9	8.5	7.8	7.8
Water System Customers	23,395	24,096	25,071	26,057	26,945	26,935	27,800	27,234	27,493	27,698
Planning & Development										
Building permits issued	829	773	918	833	800	743	750	292	632	632
Culture & Recreation										
Monthly circulation of library materials	40,000	42,581	24,954	25,997	27,083	27,083	26,867	26,832	55,181	42,400
Number of programs and classes offered	190	189	377	341	350	327	315	398	497	497
Reference questions answered monthly	8,333	7,500	7,750	7,917	8,083	8,083	8,167	8,145	10,417	11,436

(1) Totals not available for 2007, 2008 and 2009

(2) Department no longer keeping counts

Source: Fayette County Budget Document

Source: Department statistical data

FAYETTE COUNTY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years
 "Unaudited"

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
County Office Buildings	1	1	1	1	1	1	1	1	1	1
Senior Citizens Center										
Judicial system										
Justice Center	1	1	1	1	1	1	1	1	1	1
Public Safety										
Patrol Vehicles (1)	n/a	n/a	n/a	n/a	160	160	155	162	162	158
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works										
Miles of County Maintained Roads	463.6	466.1	465.6	474.5	478.2	510.0	601.6	687.0	576.0	529.0
Miles of Road Resurfacing	30.8	27	49.5	38.9	33.24	33.24	55.4	26.2	26.2	25
Culture and Recreation										
Park Acreage	359	366	366	366	366	366	366	366	366	366
Parks	6	6	6	6	6	6	6	6	6	6
Multi-purpose facility	1	1	1	1	1	1	1	1	1	1
Water System										
Water Treatment Plant	2	2	2	2	2	2	2	2	2	2

(1) Information not available for years 2002 through 2005.

Source: Fayette County Fixed Asset Records and Department Heads