



*Fayette*  
COUNTY

"WHERE QUALITY  
IS A LIFESTYLE"

---

# **FAYETTE COUNTY, GEORGIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2015**



*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

# FAYETTE COUNTY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

*Prepared by the  
Fayette County Finance Department*



*Fayette*  
COUNTY

"WHERE QUALITY  
IS A LIFESTYLE"

---

## **INTRODUCTORY SECTION**

This Section Contains the Following Subsections:

TABLE OF CONTENTS

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING

LIST OF PRINCIPAL OFFICIALS

ORGANIZATIONAL CHART

SERVICE DELIVERY PRINCIPLES

MAPS

**Fayette County, Georgia  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015**

**TABLE OF CONTENTS**

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i - iii
Letter of Transmittal.....	1 - 11
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	12
List of Principal Officials .....	13 - 14
Organizational Chart.....	15
Service Delivery Principles.....	16
Maps .....	17 - 18
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	19 - 21
Management’s Discussion and Analysis (MD&A) .....	22 - 39
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	40 - 41
Statement of Activities .....	42
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	43
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	44
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	45
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balances with the Statement of Activities.....	46
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	47 - 49
Fire Services Tax District Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	50
Emergency Medical Services (EMS) Tax District Fund – Statement of Revenues Expenditures and Changes in Fund Balances – Budget and Actual .....	51
Statement of Net Position - Proprietary Funds .....	52 - 53
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	54
Statement of Cash Flows - Proprietary Funds .....	55 - 56
Statement of Fiduciary Funds Assets and Liabilities .....	57
Notes to the Financial Statements .....	58 - 108

**Fayette County, Georgia**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2015**

**TABLE OF CONTENTS**

	<u>Page Number</u>
<b>FINANCIAL SECTION (Continued)</b>	
Required Supplementary Information:	
Schedule of Changes in the County's Net Pension Liability and Related Ratios .....	109
Schedule of County Contributions.....	110
Schedule of Funding Progress .....	111
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet:	
Non-Major Governmental Funds .....	112
Non-Major Special Revenue Funds .....	113
Non-Major Capital Projects Funds.....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances:	
Non-Major Governmental Funds .....	115
Non-Major Special Revenue Funds .....	116
Non-Major Capital Projects Funds.....	117
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Emergency 911 (E-911) Tax District Special Revenue Fund .....	118
Street Lights Tax District Special Revenue Fund .....	119
Grants Special Revenue Fund .....	120
Confiscated Assets Special Revenue Fund .....	121
Fine Surcharges Special Revenue Fund .....	122
County-Wide Roads SPLOST Capital Projects Fund .....	123
Unincorporated County Roads SPLOST Capital Projects Fund .....	124
Kenwood Park Construction Capital Projects Fund.....	125
Non-Major Business-Type Enterprise Funds:	
Combining Statement of Net Position.....	126 - 127
Combining Statement of Revenues, Expenses and Changes in Net Position.....	128
Combining Statement of Cash Flows.....	129 - 130
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST):	
Roads and Bridges Purposes.....	131 - 132
Internal Service Funds:	
Combining Statement of Net Position.....	133
Combining Statement of Revenues, Expenses and Changes in Net Position.....	134
Combining Statement of Cash Flows.....	135 - 136
Fiduciary Funds:	
Statement of Changes in Assets and Liabilities .....	137 - 138

**Fayette County, Georgia  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015**

**TABLE OF CONTENTS**

	<u>Page Number</u>
<b>STATISTICAL SECTION</b>	
<b>Financial Trends:</b>	
Net Position by Component .....	140
Change in Net Position .....	141 -142
Fund Balances of Governmental Funds.....	143
Changes in Fund Balances of Governmental Funds .....	144 -145
<b>Revenue Capacity:</b>	
Property Tax Levies, Collections and Local Option Sales Tax Proceeds .....	146
Assessed Value and Estimated Actual Value of Taxable Property .....	147
Property Tax Rates - Direct and Overlapping Governments .....	148
Principal Property Taxpayers.....	149
<b>Debt Capacity:</b>	
Ratio of Outstanding Debt by Type .....	150
Direct and Overlapping Governmental Activities Debt.....	151
Legal Debt Margin Information .....	152
Pledged Revenue Coverage .....	153
<b>Demographic and Economic Information:</b>	
Demographic and Economic Statistics .....	154
Principal Employers .....	155
<b>Operating Information:</b>	
Full-Time Equivalent County Government Employees by Function.....	156
Operating Indicators by Function.....	157
Capital Asset Statistics by Function .....	158
Schedule of Insurance Coverages.....	159



"WHERE QUALITY  
IS A LIFESTYLE"

December 21, 2015

Honorable Charles Oddo, Chairman,  
Members of the Board of Commissioners,  
and the Citizens of Fayette County, Georgia

The Comprehensive Annual Financial Report (CAFR) of Fayette County, Georgia for the fiscal year ended June 30, 2015, 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 provide a reasonable basis for making these representations, Fayette County has established a comprehensive internal control framework whereby the cost of a control does not exceed the benefits to be derived, as the objective is to provide reasonable, rather than absolute assurance. These internal controls are designed both to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with generally accepted accounting principles (GAAP). 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.

Fayette County's financial statements have been audited by Nichols, Cauley & Associates, LLC, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Fayette County, Georgia for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (i.e., clean) opinion that the Fayette County, Georgia's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section and can be found on pages 19 through 21.

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. Management's Discussion and Analysis is located in the Financial Section of this report and can be found immediately following the report of the independent auditors on pages 22 through 39.

#### OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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; an organizational chart; and maps of the local area to add some visual perspective. 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.

#### REPORTING ENTITY

The financial reporting entity (Fayette County, Georgia) 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 109,700 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, a solid waste management system and a stormwater utility, which are shown as Enterprise Funds in this report. The Water System was established in 1965 and serves 29,263 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 Tyrone and Woolsey. And by contractual agreement, the County operates the system owned by the Town of Brooks. The Water System also wholesales water to the City of Fayetteville pursuant to a wholesale water contract which expires in 2034.

### PROFILE OF THE GOVERNMENT

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. Fayette County holds district voting in each of the five districts. The five commissioners are elected by the citizens in their respective district. 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.

## DISTINGUISHING ATTRIBUTES OF FAYETTE COUNTY

Fayette County is bordered on the north by Fulton County, on the east by Clayton County, on the south by Spalding County, and on the west by Coweta County. This immediate area located just south of Atlanta is often referred to as the Southern Crescent. Incorporated communities located within the County include Fayetteville, which is the County seat; Brooks; Peachtree City; Tyrone and Woolsey.

An important attribute of Fayette County is its location in relationship to major transportation modes and the availability of a number of cost-effective alternatives for moving people and goods in the immediate area. Commercial air service is available at Hartsfield-Jackson International Airport which is a major hub for the air transportation business and is located just north of the County. Falcon Field which is located on the western side of the County serves as a local public airport for light aircraft including small jets.

For those wishing to travel by vehicle, the County is strategically located in close proximity to five interstate highway systems, I-20, I-75, I-85, I-675 and I-285. In addition, several principal arterial roadways, such as State Highways 54, 74, 85, 92, 279 and 314, pass through the County. Citizens also have fairly easy access to the public transportation systems which serves the immediate Atlanta area.

Other transportation needs can also be easily accommodated. For any business that might have a need to move freight, there is direct railway service which is provided by CSX Railroad along the western portion of the County. For motor freight needs, there is access to eight national or regional terminals. In addition, Savannah, Georgia and Jacksonville, Florida serve as major deep-water seaports which can be easily reached by interstate highway in a matter of hours.

For a number of years, the County's official letterhead has contained the phrase, "Where Quality is a Lifestyle". The County is considered by many to be the "crown jewel" of Metro Atlanta's many fine communities and thus is the destination many residents have chosen as their retirement home. Being considered a relatively safe community is a critical "quality of life" attribute provided by our public safety efforts. Per the Georgia Bureau of Investigation's 2014 Crime Statistics Report, the reported number of crimes within Fayette County was 1,664 compared to the average number of 17,324 reported by the ten counties within the Atlanta Regional Commission (ARC). Fayette was the lowest of the ten counties with a 1.53% crime rate of the population. The average crime rate for the ten ARC counties was 3.97% of population. The ISO rating that the County's Fire Department has attained for its service level results in our residents paying less for their home insurance premiums.

The United States Census Bureau estimates the median age of the County's population to be 43.2 years. Further breakdown reveals that 16.2 percent of our population is over 65 years of age which is about 3.8 percent higher than the other Metro Counties. To help serve the

medical needs of this older population, the Piedmont Fayette Hospital is a 189 bed state-of-the-art facility that opened in September of 1997 and provides a full range of health services.

Fayette County also boasts of having an excellent education system for the children that live in the community. According to the United States Census Bureau, 93.7 percent of Fayette County students completed high school in Fayette County compared to a State-wide average of 85 percent. Of those Fayette County residents that received their high school diploma, 43 percent obtained a bachelor's degree or higher. The 2015 average Scholastic Aptitude Test (SAT) scores for Fayette County students was 1537 and compares quite favorably to the National average of 1490. The American College Testing (ACT) scores reported were 22.9 for Fayette County, 21 for Georgia and 21 Nationwide. Fayette County also outpaces the State and Nation in the number of students participating and successfully passing Advanced Placements (AP) students. For the second consecutive year, Fayette County's total number of students passing exceeded the 70% pass rate with 77% which is required to receive the College Board's Advanced Placement (AP) Honor Roll.

## ECONOMIC CONDITIONS

**Environmental Scan:** The local economic conditions and operating environment for Fayette County, Georgia are often times directly or indirectly impacted by not only what is occurring in the United States but also globally. Thus, performing an environmental scan can certainly be helpful in establishing the proper perspective for any economic analysis on the local level. Some of the more important economic metrics in regards to financial activity in the third quarter of calendar year 2015 are highlighted in the following bullet points:

- Real gross domestic product (GDP) increased 2.1 percent in the third quarter of 2015;
- Growth in retail sales was estimated at 4.5 percent for 2015 compared to 2.2% in 2014. This indicates a continued growth in the broader economy since consumer spending on goods accounts for approximately 70% of GDP;
- Residential housing starts continued to increase by 30% over 2014;
- U.S. exports are down due to the strengthening of the U.S. dollar making American-made products costlier for foreigners to buy.

**Local Economy:** Fayette County is strategically located just south of Atlanta in close proximity to three interstate highways, I-75, I-85 and I-285. It is just a short commute to the City of Atlanta, which is considered the Business Capital of the New South. And Hartsfield-Jackson International Airport, the World's busiest and one of the more significant economic engines for the south side of Atlanta, is located just north of the County.

Fayette County continues to benefit economically by being an integral part of one of the historically 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.

Again, in performing a more localized environmental scan, Fayette County has an outstanding labor force, abundant higher education opportunities, a favorable business climate, a wide range of leisure opportunities and high quality housing. Each of these factors continues to make Fayette County an attractive place to live, work and play.

According to the Georgia Department of Labor, 62.1 percent of the labor force in Fayette County had at least some college training. Another 24.9 percent were either high school graduates or had obtained their GED. Based on those education numbers, it can be said that Fayette County's labor force is a highly skilled one.

Numbers for 2014 as published by the Georgia Department of Labor indicate that there were 50,652 employed residents in Fayette County. Of that number, 43.9 percent worked at jobs located in the County. Conversely, that means that 56.1 percent commuted outside the County for employment. The two most frequent destinations for Fayette County's work force were Fulton and Clayton Counties. This is no real surprise given that the airport is located mainly in Clayton County and the Central Business District (i.e., Downtown Atlanta) is located in Fulton County.

Statistics from the Georgia Department of Labor indicate that in 2014, there was an average of 3,673 industries located in Fayette County that produced 40,469 jobs. Of that total, 492 industries were labeled as "Goods Producing" and accounted for 6,049 jobs or 14.9 percent of the total. By far, the largest component was the "Service Providing" industries. That segment totaled 2,913 firms and represented 29,297 jobs or 72.4 percent of the total. Based on those numbers, it can also be said that Fayette County has a fairly broad industry mix and its economic well-being is not dependent on the success of any one employer or industry.

In looking at the effects of previous recessions, Atlanta and the Metro region have been able to weather them with comparative ease. In the past, the Atlanta business community has benefited from several strengths of the region which include having a diverse economic base; experiencing strong in-migration and population growth; serving as a transportation, distribution and cultural center; and offering a business-friendly environment. These factors have contributed to the continuing economic recovery in the region. Unemployment is down. Property values are slowly rising contributing to increased tax collections. And recent legislation has made the state more competitive.

Forecasts predict continued favorable changes in economic indicators such as GDP, job growth and home starts. Numbers of foreclosures and distress sales have declined while construction permit activity has increased. Additionally, construction of Pinewood Studios has strengthened the County's economy.

The United Kingdom's Pinewood Studios continues to expand its property base. The studios opened in January, 2014. Phase 1 is now complete and added a total of 400,000 square feet in film stages and support facilities including a Home Depot facility on site for the sole purpose of providing materials. Phase 2 construction was completed in July, 2015 and added a total of 5 new buildings totaling 170,000 sq. ft. Walt Disney Pictures' Marvel's Ant-Man, was the studio's first production released in July, 2015. An independent economic study based on GA Tech's economic model estimated 3,400 jobs with a total impact of \$378m per year.

The economic outlook for Fayette County remains stable as a result of cost cutting initiatives and direction by new leadership to eliminate deficit budgeting. This proactive approach has positioned the County to be able to face the current economic climate and maintain a strong financial position. Property values have stabilized somewhat resulting in an increase in the 2015 tax digest of 3.2 percent. One of the benefits of having a skilled work force is that the unemployment rate continues to remain slightly lower than the state average. For June 2015, the rate for Fayette County was 6.0 percent compared to the State average of 6.1 percent and the national average of 5.3 percent.

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.

**Economic Forecast:** Based on the economic information that is currently available, one can make certain projections about the economic conditions that Fayette County will face during its next operating cycle. The more relevant highlights from the economic forecast prepared by the University of Georgia's Selig Center for Economic Growth include the following projections:

- Employment growth increases to 83,500 jobs in 2016 from 71,000 in 2015;
- Nominal personal income will increase 5.5 percent;
- Permit activity will grow 11.6 percent in 2016 as multi-family permits return to positive growth.

## MAJOR INITIATIVES

Fayette County's road system will continue to benefit from revenue provided by the Special Purpose Local Option Sales Tax (SPLOST). The construction of new roads and improvements to existing ones are necessary to ensure the attractiveness of the County going forward as new residents move to the area. During fiscal year 2015, construction activities focused on maintenance of existing paved roads using a combination of pavement preservation strategies. Other roadway/infrastructure activities include:

- Design for intersection of Veterans Parkway and SR 92 (West Fayetteville Bypass);
- Design for two multi-use path segments along Redwine Road;

- Design and right-of-way acquisition for intersection improvements at Harp Road and SR 85;
- Design and permitting for three dam projects, all within County right-of-way;
- Several stormwater pipe replacements to maintain road integrity;
- Design for the East Fayetteville Bypass (a new capacity project);
- Preliminary design for two, State, safety improvement projects on SR 92 south of Fayetteville

As noted earlier, a large percentage of our residents are employed in other counties so a good road system is needed to make the daily commute easier for them. An effective road system is also needed to move those goods being manufactured by our local industries and to attract new businesses. It is important to our business community to make travel as pleasant as possible for those that want to work and shop in the County. Additionally, Fayette County is participating in the Local Maintenance & Improvement Grant (LMIG) program that helps local governments make needed improvements to local and state roads. The grant requires a match of approximately 30 percent from the County. Unincorporated Fayette County was awarded \$590,363 for the 2015 LMIG program.

As part of the FY2015 budget, the County approved a \$2,000,000 loan from the General Fund for the Stormwater Utility. Repair, replacement and upgrades to stormwater infrastructure within County right-of-way is funded from Fayette County's Stormwater Utility. Projects are identified and prioritized on a continuous basis by the Environmental Management Department and the design, right-of-way and construction costs are funded by the Utility. Projects are currently underway throughout the County, and where possible, the stormwater improvements are coordinated with planned pavement preservation work.

Fayette County continues to strategically position itself for future growth and the maintenance of the current quality of life of our citizens. With the population of the Metropolitan Atlanta Statistical Area approaching 5.6 million, the availability of potable water is becoming one of the most important attributes affecting growth patterns in the future. Where businesses decide to locate in the future could be determined by the availability of this precious resource. With the addition of Lake McIntosh in 2013, which is a 650-acre raw water reservoir located on Line Creek which borders Fayette and Coweta Counties, total raw water reserves should be sufficient to meet our customers' potable water needs for years to come.

#### LONG-TERM FINANCIAL PLANNING

The financial position of the County has strengthened over the past year, with the 2015 operating results adding \$2,220,989 to the General Fund balance. This was due in part to careful budget management and cost control.

In February 2015, Moody's upgraded Fayette County's bond rating to the highest possible of 'Aaa'. Moody's is the second rating agency to upgrade the County following the Standard &

Poor's AAA upgrade in August 2014. This rating is confirmation that the County continues to demonstrate sound financial performance.

The intergovernmental agreement between Peachtree City, City of Fayetteville, Town of Tyrone, Town of Brooks, and Fayette County; for the distribution of Local Option Sales Tax (LOST) proceeds established how the LOST proceeds are to be distributed for the years 2013 through 2022. This agreement of how local option sales tax proceeds will be allocated has enabled the County to reduce the dependence on ad valorem taxes to support the General Fund.

As is the case with most local governmental entities, the majority of services provided by Fayette County are funded through an ad valorem tax levied against real and personal property. As the economy has stabilized and the real estate market has begun to recover, this source of funding is slowly returning to its pre-recession level. Market value of existing homes are rising and new construction has increased. This has resulted in growth in the tax digest of \$141,161,678 or 3.2 percent from 2014 to 2015. Although the taxable digest has not yet returned to the 2009 value of \$5,457,605,221, construction starts and increasing market values are promising.

Prior to fiscal year 2014, to fund operations of the County, fund balance was extensively used to cover the excess of expenditures over revenues. Starting in FY 2014 and continuing in FY 2015, the Board of Commissioners adopted cost saving initiatives that discontinued deficit budgeting without any impact to service delivery. The FY 2016 budget, adopted June 25, 2015, included a decrease of the maintenance and operations General Fund millage rate without the need to use unreserved fund balance. The Board again demonstrates a long-term commitment to fiscal conservatism and efficiency while maintaining an outstanding level of customer service to its citizens.

The Capital Improvement Program (CIP) plan was updated reflecting a continued focus on establishing critical needs for the upcoming five-year period. In the FY 2016 adopted budget, \$3,417,116 is projected to come from the Assigned General Fund Balance to fund projects; \$939,651 in Projects Contingency funding; \$415,938 from Special Revenue Funds; and \$168,000 in Federal Grants. A \$2M loan from the General Fund was approved in the FY2015 budget. Stormwater withdrew \$250,000 of the loan amount through FY2015. Water System Bond Projects total \$2,265,264 and Water System projects funded from the Utility Fund total \$1,430,000. Available funds from prior year projects that were completed or determined to not be a priority were re-appropriated and designated as Contingency project funds to be used for additional projects approved during the fiscal year. FY 2016, the Contingency projects accounts included the following: \$1,094,775 in General Fund Projects Contingency, \$948,730 in Special Revenue Funds Projects Contingency, \$1,301,124 in Recreation Projects Contingency, \$290,000 in Road Projects Contingency, and \$104,837 in Public Safety Projects Contingency. In FY2016, a proactive approach will be taken to determine when projects are completed and to move any available funds to keep replenishing the Contingency projects account.

## CASH MANAGEMENT POLICIES AND PRACTICES

Cash temporarily idle during the year was invested in accordance with allowable investments per Georgia law. The County earned net interest income of \$497,348 on all investments of the Governmental and Proprietary Fund-Types for the year ended June 30, 2015. Because of the associated restrictions, a portion of these earnings is shown as “program revenues” on the Government-Wide Statements.

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, 2015, 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.

## RECENT AWARDS

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 (CAFR) for the year ended June 30, 2014. The County has received this award for each of the last twenty-two 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 2015. This represents the eighteenth consecutive year that the County has received this particular award. In order to qualify for the award, the County’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

## 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 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,

A handwritten signature in blue ink, appearing to read "Steve A. Rapson", with a long horizontal flourish extending to the right.

Steve A. Rapson  
County Administrator

A handwritten signature in black ink, reading "Mary S. Parrott", written in a cursive style.

Mary S. Parrott  
Chief Financial Officer



Government Finance Officers Association

**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, 2014**

Executive Director/CEO

**Fayette County, Georgia  
List of Principal Officials  
June 30, 2015**

*Elected County Officers*

Board of Commissioners:

District 4, Chairman ..... Charles Oddo  
District 5, Vice Chair ..... Pota Coston  
District 1 ..... David Barlow  
District 2 ..... Randy Ognio  
District 3 ..... Steve Brown

Clerk of Courts ..... Sheila Studdard  
Probate Court Judge ..... Ann Jackson  
Sheriff ..... Barry Babb  
Tax Commissioner ..... George Wingo  
Superior Court Chief Judge ..... Christopher C. Edwards

*Principal Officials*

County Administrator ..... Steven A. Rapson, CPA  
County Attorney ..... Dennis Davenport  
Chief Financial Officer ..... Mary S. Parrott, CPA  
County Purchasing Agent ..... Ted Burgess  
County Clerk ..... Floyd Jones  
Community Development ..... Pete Frisina  
E911 Communications Center ..... Peggy Glaze, Interim  
Emergency Management ..... Pete Nelms  
Fire & Emergency Medical Services ..... Chief David Scarbrough  
Human Resources ..... Lewis Patterson  
Chief Information Officer ..... Phillip Frieder  
Library ..... Chris Snell  
Parks and Recreation ..... Anita Godbee  
Public Works ..... Phil Mallon  
Tax Assessor ..... Joel T. Benton  
Water System ..... Lee Pope

*Special Services Providers*

Auditors ..... Nichols, Cauley & Associates, LLC  
Bond and Disclosure Counsel ..... McKenna Long & Aldridge LLP  
Bond Underwriters ..... Merchant Capital  
Consulting Engineers ..... CH2MHill

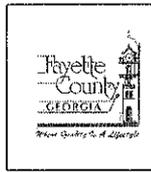
**Fayette County, Georgia  
Board of Commissioners  
Fiscal Year Ended June 30, 2015**



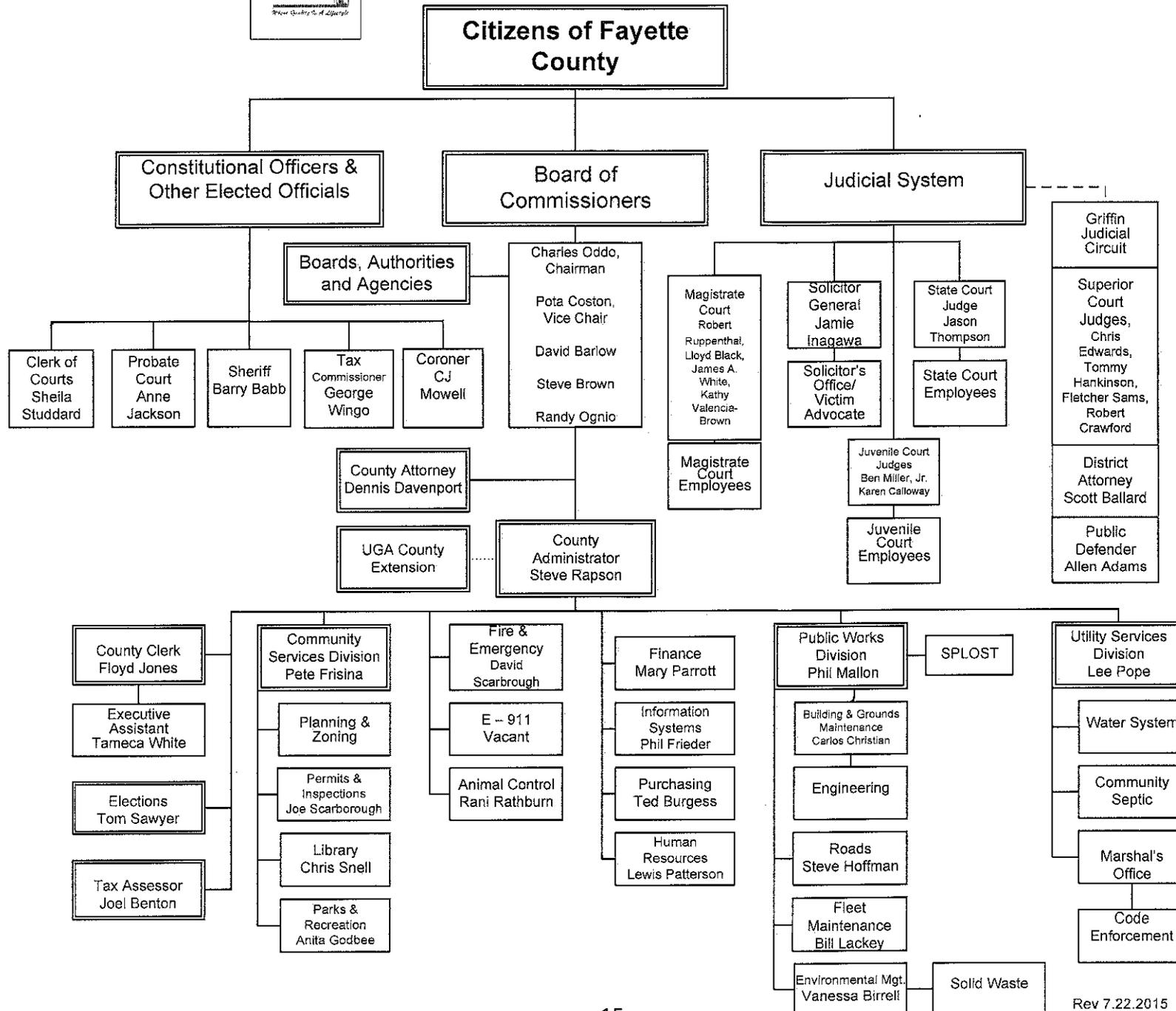
Left to Right: Steve Brown, David Barlow, Charles Oddo, Pota Coston, Randy Ognio

**County Commission Mailing Address:**

150 Stonewall Avenue West  
Suite 100  
Fayetteville GA 30214  
Phone: 770-305-5200  
Fax: 770-305-5210



# Fayette County, Georgia 2015 Organizational Chart



**Fayette County, Georgia  
Service Delivery Principles  
Fiscal Year Ended June 30, 2015**

**RESOLUTION 2015-01**

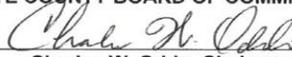
**RESOLUTION OF THE FAYETTE COUNTY COMMISSIONERS  
PLEDGE TO CITIZENS AND COUNTY STAFF ON CORE VALUES AND BELIEFS**

- WHEREAS,** upon the inauguration of the 2015 Fayette County Board of Commissioners, the five commissioners desire to affirm their core values and beliefs to our constituents and county staff; and
- WHEREAS,** the Board of Commissioners acknowledges they were placed in office by the voters of Fayette County and are responsible for conducting the official business of those citizens, looking out for their best interests; and
- WHEREAS,** the Board is determined to give the citizenry ample opportunity to voice their comments and concerns in all meetings; and
- WHEREAS,** the Board respects each individual staff member and believes that members who are treated with respect and given responsibility respond by giving their best; and
- WHEREAS,** although there may not be unanimous consent on every issue, the Board requires complete honesty and integrity in everything we do while valuing everyone's opinion; and
- WHEREAS,** the Board will take its commitments very seriously, and then do its utmost to live up to them, acknowledging the importance of doing what we say we are going to do; and
- WHEREAS,** the Board recognizes that the work performed by each staff member is an important part of their life, and it should be fulfilling and rewarding, so we encourage an open and welcoming workplace; and
- WHEREAS,** the Board vows to be good stewards of the citizen's resources, exercising the same vigilance that we would use to guard and conserve our own personal resources; and
- WHEREAS,** the Board insists that each commissioner and each staff member always give their best effort in everything we undertake, refusing to accept sloppiness or lack of effort; and
- WHEREAS,** the entire Board, each department director and each individual in our organization is expected to understand our mission and our goals realizing that doing so it is extremely critical to our success; and
- WHEREAS,** the Board believes in the Golden Rule, and we will strive to be friendly, courteous, fair and compassionate in all our dealings; and
- WHEREAS,** the Board and our staff members should always feel a sense of urgency on any matters related to our citizens, owning problems and always being responsive

**NOW, THEREFORE, BE IT RESOLVED** that we, the Board of Commissioners of Fayette County, Georgia do hereby pledge our acceptance of these core values and beliefs in the service of our citizens.

So resolved this 8th day of January 2015 by the

**FAYETTE COUNTY BOARD OF COMMISSIONERS**

  
Charles W. Oddo, Chairman

  
Pota Coston, Vice Chair

  
Steve Brown, Commissioner

  
David Barlow, Commissioner

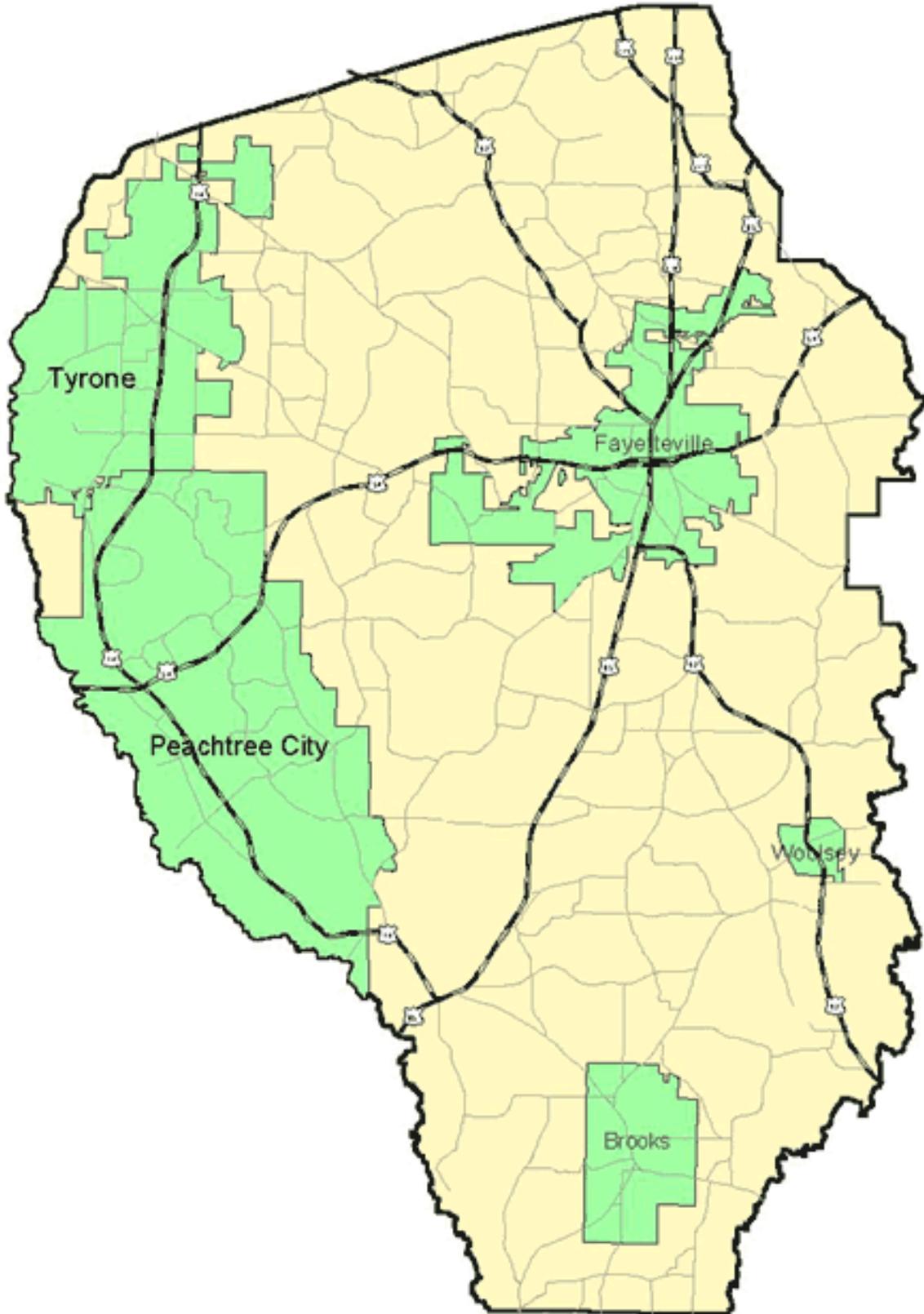
  
Randy Ognio, Commissioner

Fayette County, Georgia  
Map of Metropolitan Atlanta Area  
Fiscal Year Ended June 30, 2015



↑  
Fayette County

Fayette County, Georgia  
Jurisdiction and Road Map of Fayette County  
Fiscal Year Ended June 30, 2015





*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

## **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 AND  
SCHEDULES

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS



## NICHOLS, CAULEY & ASSOCIATES, LLC

A Professional Services Firm of:  
Certified Public Accountants  
Certified Internal Auditors  
Certified Financial Planners®  
Certified Valuation Analysts

Atlanta • Dublin • Warner Robins  
[www.nicholscauley.com](http://www.nicholscauley.com)

REPLY TO:  
2800 Century Parkway  
Suite 900  
Atlanta, Georgia 30345  
800-823-1224  
FAX 404-214-1302  
atlanta@nicholscauley.com

### INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fayette County, Georgia, (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fayette County Department of Public Health and the Fayette County Development Authority, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedules for the General Fund, Fire Services Tax District Fund and Emergency Medical Services Tax District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note III.J., the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the County's net pension liability (asset) and the related disclosures. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (on pages 22 through 39), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 109), the Schedule of County Contributions (on page 110) and the Schedule of Funding Progress (on page 111) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Projects Constructed with Special Local Option Sales Tax and other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Local Option Sales are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements and the Schedule of Projects Constructed with Special Local Option Sales Tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Richels, Cauley + Associates, LLC*

Atlanta, Georgia  
December 21, 2015

**Fayette County, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2015**

As management of Fayette County, Georgia, we offer the readers of Fayette County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2015. The primary purpose of the ensuing discussion and analysis is to provide our Board of Commissioners, our customers, our taxpayers, our bondholders, the bond rating agencies and the other various users of our Comprehensive Annual Financial Report (CAFR) with additional insight into the financial performance of the County and to help place the operational information contained in the basic financial statements in its proper context. We encourage 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 1 through 11 in the Introductory Section of this report.

<b>Financial Highlights</b>
-----------------------------

- The *Assets* of Fayette County, Georgia exceeded its *Liabilities* at June 30, 2015 by \$263,915,069 (*Net Position*). Of this amount, \$59,246,732 (*Unrestricted Net Position*) can be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's *Total Net Position* at June 30, 2015 increased by \$2,365,010 or about 0.9% compared to the previous year's restated balance. The main driver for this increase in *Total Net Position* was the implementation of GASB 68 related to Fayette County's Defined Benefit Plan. The Plan assets increased by \$1.8M with the remaining change resulting from a reduction in long-term debt.
- At the close of the current fiscal year, the County's Governmental Funds reported combined ending fund balances of \$84,083,609. This amount represented a decrease of \$2,034,554 from the prior year and was principally attributable to expenditures in the SPLOST Road Capital Projects Funds.
- At the end of the current fiscal year, the Unassigned Fund Balance for the General Fund was \$5,186,473. This amount represented about 10.7% of the total of the General Fund's Expenditures and Operating Transfers Out for the 2015 fiscal year. The Unassigned Fund Balance would be sufficient to cover over one month of operations if needed.
- Fayette County's total long-term debt decreased due to regularly scheduled payments with no new additional debt.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's Basic Financial Statements. The County's Basic Financial Statements are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other information that is considered supplementary to the Basic Financial Statements themselves.

### Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of Fayette County's finances, in a manner similar to those of a private sector business. There are two *Government-Wide Financial Statements* and they are commonly referred to as the "*Statement of Net Position*" and the "*Statement of Activities*". These statements use accounting methods similar to those used by private-sector companies.

The *Statement of Net Position* presents information on all of the County's assets and liabilities, with the difference between the two being reported as *Net Position*. Basically, the statement is intended to provide financial information about the County's overall financial status that is considered to be both from a long-term and short-term perspective. And over time, increases or decreases in the *Net Position* amount 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future years (e.g., uncollected taxes, earned but unused vacation leave). Additionally, this statement shows how much of the County's activities or functions are funded by program revenues (i.e., charges for services, grants and contributions) and how much of the County's functions rely on general revenues (primarily taxes) for funding.

Both of the *Government-Wide Financial Statements* distinguish services or functions of Fayette County that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other services or functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-Type Activities*). The *Governmental Activities* of the County include *General Government; Judicial System; Public Safety; Public Works; Health and Welfare; Culture and Recreation; and Housing and Development*. And because the Internal Service Funds primarily provide services to the *Governmental Activities*, their financial activity is included in this component. The *Business-Type Activities* of Fayette County include the Water System, Solid Waste and the Stormwater Utility Funds.

The *Government-Wide Financial Statements* include not only Fayette County itself (which is referred to as the *Primary Government*), but also legally separate entities for which the County is financially accountable (referred to as *Component Units*). The County's two *Component Units* are the Fayette

County Development Authority and the Fayette County Department of Public Health. These are legally separate entities that are considered component units due to the significance of their operational or financial relationships with the County. Financial information for these *Component Units* is reported separately from the financial information presented for the *Primary Government* itself. The Fayette County Public Facilities Authority, although also legally separate, functions for all practical purposes as a revenue bond debt financing conduit for the County and therefore has been included as an integral part of the *Primary Government*.

The *Government-Wide Financial Statements* can be found on pages 40 through 42 of this report.

**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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the various funds maintained by Fayette County can be divided into three separate categories: **Governmental Funds, Proprietary Funds and Fiduciary Funds.**

**Governmental Funds.** *Governmental Funds* are used to account for essentially the same functions reported as *Governmental Activities* in the *Government-Wide Financial Statements*. However, unlike the *Government-Wide Financial Statements*, *Governmental Fund Financial Statements* focus 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. Such information may be useful to the reader in evaluating a government's near-term financing requirements.

Because the focus of *Governmental Funds* is narrower than that of the *Government-Wide Financial Statements*, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *Governmental Activities* in the *Government-Wide Financial Statements*. By 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. The *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances* both provide a reconciliation to help facilitate this comparison between *Governmental Funds* and *Governmental Activities*.

Fayette County maintains numerous individual governmental funds that are combined into fifteen (15) different funds for reporting purposes. 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. Based on the criteria set forth in the accounting standards, the major funds were determined to be the following: the General Fund, the Fire Services Tax District Special Revenue Fund, the Emergency Medical Services Tax District Special Revenue Fund and the County-Wide Roads SPLOST Capital Projects Fund. Financial information for the remaining non-major Governmental Funds is aggregated and reported in a single column labeled "Other Governmental Funds". Individual fund data for each of these non-major Governmental Funds is provided in the form of combining statements in the "Combining and Individual Fund Statements and Schedules" section appearing elsewhere in this report.

Fayette County adopts an annual appropriations budget for the General Fund and each of the Special Revenue Funds. A budgetary comparison statement is provided for each of these funds in order to present budgetary compliance. Project length financial plans are adopted for the Capital Project Funds.

The basic Governmental Fund Financial Statements can be found on pages 43 through 46 of this report.

**Proprietary Funds.** Fayette County maintains two different types of proprietary funds (i.e., enterprise funds and internal service funds). *Proprietary Funds* are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

*Enterprise Funds* are used to report the same functions presented as *Business-Type Activities* in the *Government-Wide Financial Statements*. Fayette County uses *Enterprise Funds* to account for the operations of its Water System, Solid Waste and Stormwater Utility Funds. The cost (expenses, including depreciation) of providing each of these services to the general public is recovered in whole or in part through user charges.

*Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Fayette County uses *Internal Service Funds* to account for certain employee benefit risk financing functions and for the replacement of vehicles and equipment. The *Internal Service Funds* used by the County are the Workers' Compensation Self-Insurance Fund, the Major Medical Self-Insurance Fund, the Dental and Vision Self-Insurance Fund, and the Vehicle Replacement Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *Governmental Activities* in the *Government-Wide Financial Statements*.

The *Proprietary Fund Statements* provide the same type of financial information as the *Government-Wide Financial Statements*, only in more detail. Since there are only three *Enterprise Funds*, each of them is presented on the face of the *Proprietary Funds Financial Statements*. Again based on the criteria established in the accounting standards, the Water System is the only one considered to be a major fund of the County with the other two being identified as non-major funds in the headers of those financial statements.

Conversely, all four of the *Internal Service Funds* are combined into a single, aggregated presentation in the *Proprietary Fund Financial Statements*. Individual fund data for the *Internal Service Funds* is provided in the form of *Combining Statements* elsewhere in this report.

The basic *Proprietary Funds Financial Statements* can be found on pages 52 through 56 of this report.

**Fiduciary Funds.** *Fiduciary Funds* are used to account for resources held for the benefit of parties principally outside the government. *Fiduciary Funds* are **not** reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support the County's own programs. The accounting used for *Fiduciary Funds* is much like that used for *Proprietary Funds*.

The basic *Fiduciary Funds Financial Statement* can be found on page 57 of this report.

**Notes to the Financial Statements.** The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the *Government-Wide* and *Fund Financial Statements*. The *Notes to the Financial Statements* can be found on pages 58 through 108 of this report.

**Other Information.** In addition to the *Basic Financial Statements* and accompanying *Notes*, this report also presents certain **Required Supplementary Information** concerning the County’s progress in funding its obligations to provide pension and other postemployment benefits to its employees. *Required Supplementary Information* can be found on pages 109 through 111 of this report.

The combining statements referred to earlier in connection with *Non-major Governmental Funds*, *Non-major Enterprise Funds* and *Internal Service Funds* are presented immediately following the Required Supplementary Information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found on pages 112 through 138 of this report.

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

**Government-Wide Financial Analysis**

**Analysis of Net Position**

As noted earlier, *Net Position* may serve over time as a useful indicator of a government’s financial position. In the case of Fayette County, *Assets* exceeded *Liabilities* by \$263,915,069 at the close of the most recent fiscal year. The condensed financial information for Fayette County, Georgia’s Net Position as of June 30, 2015 and 2014 is presented in the following table.

<b>FAYETTE COUNTY, GEORGIA'S NET POSITION</b>							
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>		
	<b>FY2015</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2014</b>	
Current and Other Assets	<b>\$102,870,612</b>	\$99,840,337	<b>\$29,332,872</b>	\$28,426,828	<b>\$132,203,484</b>	\$128,267,165	
Capital Assets (Net)	<b><u>121,801,414</u></b>	<u>119,813,024</u>	<b><u>107,804,655</u></b>	<u>109,977,259</u>	<b><u>229,606,069</u></b>	<u>229,790,283</u>	
Total Assets	<b><u>224,672,026</u></b>	<u>219,653,361</u>	<b><u>137,137,527</u></b>	<u>138,404,087</u>	<b><u>361,809,553</u></b>	<u>358,057,448</u>	
Deferred Outflows of Resources	<b><u>2,812,796</u></b>	<u>2,843,920</u>	<b><u>1,043,220</u></b>	<u>1,180,344</u>	<b><u>3,856,016</u></b>	<u>4,024,264</u>	
Long-Term Liabilities Outstanding	<b>38,496,766</b>	40,649,162	<b>48,899,638</b>	52,587,566	<b>87,396,404</b>	93,236,728	
Other Liabilities	<b><u>7,453,107</u></b>	<u>8,141,803</u>	<b><u>6,900,989</u></b>	<u>5,921,697</u>	<b><u>14,354,096</u></b>	<u>14,063,500</u>	
Total Liabilities	<b><u>45,949,873</u></b>	<u>48,790,965</u>	<b><u>55,800,627</u></b>	<u>58,509,263</u>	<b><u>101,750,500</u></b>	<u>107,300,228</u>	
Net Investment in Capital Assets	<b>87,415,034</b>	86,584,486	<b>56,683,378</b>	61,521,377	<b>144,098,412</b>	148,105,863	
Restricted	<b>45,158,983</b>	45,851,519	<b>15,410,942</b>	14,375,769	<b>60,569,925</b>	60,227,288	
Unrestricted	<b><u>48,960,932</u></b>	<u>47,439,427</u>	<b><u>10,285,800</u></b>	<u>5,777,481</u>	<b><u>59,246,732</u></b>	<u>53,216,908</u>	
Total Net Position	<b><u>\$181,534,949</u></b>	<u>\$179,875,432</u>	<b><u>\$82,380,120</u></b>	<u>\$81,674,627</u>	<b><u>\$263,915,069</u></b>	<u>\$261,550,059</u>	

As indicated by the tabular information above, the largest portion of the County's *Net Position* (i.e., 54.6% of the total) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt still outstanding that was used to acquire those assets. Fayette County uses these capital assets to provide services to citizens; consequently, these assets are **not** available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities that are associated with them.

Further analysis of the information used to calculate this component of *Net Position* also demonstrates the capital intensive nature of operating a county government. The \$229,606,069 in *Capital Assets* (net of accumulated depreciation) that are owned by the County represents 63.5 percent of its *Total Assets*. As part of its on-going operations, these capital assets have to be maintained, insured for any associated risks and replaced at the end of their useful lives.

In reviewing the other components of the County's *Net Position*, *Restricted Net Position* was \$60,569,925 which translates into 23.0 percent of the total. *Restricted Net Position* represent resources subject to external restriction on how they may be used. For the *Governmental Activities*, the balance of \$45,158,983 primarily represents the unencumbered assets of the Special Revenue Funds that are restricted to specific purposes or programs due to their sources of funding, the proceeds from the certificates of participation that are restricted to debt service, and the two SPLOST Capital Projects Funds whose current positions are restricted to highway and bridge construction projects. And for the *Business-Type Activities*, the \$15,410,492 represents assets in the Water System Enterprise Fund that are restricted by revenue bond ordinances to future debt service, and system renewal and extension purposes.

And lastly, the *Unrestricted Net Position* component was \$59,246,732 and represents 22.4 percent of the total. This is an 11.3 percent increase over FY2014 for Total Primary Government. *Unrestricted Net Position* may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Fayette County is able to report positive balances in all three categories of *Net Position*, both for the government as a whole, as well as for its separate *Governmental* and *Business-Type Activities*. The same situation held true for the prior fiscal year.

There was an increase of \$1,521,505 in *Unrestricted Net Position* reported in connection with the County's *Governmental Activities*. This confirms the County's stability with managing funds at a consistent level.

In the *Business-Type Activities* component, there was an increase of \$4,508,319 in *Unrestricted Net Position*. The principal reason for this increase was the reduction in capital asset investment of \$4.0M as a result of depreciation expense exceeding capital asset additions coupled with the pay down of related debt.

## Analysis of Changes in Net Position

The following tabular information represents the condensed presentation of revenues, expenses and changes in net position for the fiscal years ended June 30, 2015 and 2014. As indicated by the information in the table, the Net Position for the fiscal year ended June 30, 2015 increased by \$2,365,010. These most recent operating results compare favorably with the prior year when Net Position decreased by (\$2,264,236).

<b>FAYETTE COUNTY, GEORGIA'S CHANGES IN NET POSITION</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 11,063,192	\$ 10,654,210	\$ 15,945,897	\$ 14,515,837	\$ 27,009,089	\$ 25,170,047
Operating Grants & Contributions	453,506	486,585	-	-	453,506	486,585
Capital Grants & Contributions	1,995,322	1,951,495	167,928	776,055	2,163,250	2,727,550
<b>General Revenues:</b>						
Property Taxes	36,291,270	34,950,569	-	-	36,291,270	34,950,569
Sales Taxes	10,455,973	9,998,908	-	-	10,455,973	9,998,908
Other Taxes	3,333,818	3,228,724	-	-	3,333,818	3,228,724
Unrestricted Investment Earnings	313,394	442,146	13,551	10,489	326,945	452,635
Gain on Disposal of Capital Assets	310,723	-	-	-	310,723	-
Miscellaneous Revenues	845,587	337,545	129,511	159,906	975,098	497,451
<b>Total Revenues</b>	<b>\$ 65,062,785</b>	<b>\$ 62,050,182</b>	<b>\$ 16,256,887</b>	<b>\$ 15,462,287</b>	<b>\$ 81,319,672</b>	<b>\$ 77,512,469</b>
<b>Expenses:</b>						
General Government	\$ 8,185,246	\$ 8,840,389	-	-	\$ 8,185,246	\$ 8,840,389
Judicial System	6,230,201	5,974,701	-	-	6,230,201	5,974,701
Public Safety	33,212,515	35,118,613	-	-	33,212,515	35,118,613
Public Works	9,515,157	7,921,320	-	-	9,515,157	7,921,320
Health & Welfare	824,642	826,969	-	-	824,642	826,969
Culture & Recreation	2,430,447	3,119,068	-	-	2,430,447	3,119,068
Housing & Development	1,009,389	1,223,384	-	-	1,009,389	1,223,384
Interest & Fiscal Charges	1,648,588	1,709,636	-	-	1,648,588	1,709,636
Water System	-	-	15,501,745	14,604,741	15,501,745	14,604,741
Solid Waste	-	-	336,787	348,225	336,787	348,225
Stormwater Utility	-	-	59,945	89,659	59,945	89,659
<b>Total Expenses</b>	<b>\$ 63,056,185</b>	<b>\$ 64,734,080</b>	<b>\$ 15,898,477</b>	<b>\$ 15,042,625</b>	<b>\$ 78,954,662</b>	<b>\$ 79,776,705</b>
Increase (Decrease) in Net Position Before Transfers	\$ 2,006,600	\$ (2,683,898)	\$ 358,410	\$ 419,662	\$ 2,365,010	\$ (2,264,236)
Transfers	\$ (347,083)	\$ (296,501)	\$ 347,083	\$ 296,501	\$ -	\$ -
<b>Increase (Decrease) in Net Position</b>	<b>\$ 1,659,517</b>	<b>\$ (2,980,399)</b>	<b>\$ 705,493</b>	<b>\$ 716,163</b>	<b>\$ 2,365,010</b>	<b>\$ (2,264,236)</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>6,169,116</b>	<b>-</b>	<b>599,459</b>	<b>-</b>	<b>6,768,575</b>
<b>Net Position - Beginning*</b>	<b>\$ 179,875,432</b>	<b>\$ 176,686,715</b>	<b>\$ 81,674,627</b>	<b>\$ 80,359,005</b>	<b>\$ 261,550,059</b>	<b>\$ 257,045,720</b>
<b>Net Position - Ending</b>	<b>\$ 181,534,949</b>	<b>\$ 179,875,432</b>	<b>\$ 82,380,120</b>	<b>\$ 81,674,627</b>	<b>\$ 263,915,069</b>	<b>\$ 261,550,059</b>
*As restated for FY2014						

**Total Primary Government.** Based on the restated FY2014 Net Position, this net increase of \$2,365,010 for the fiscal year ended June 30, 2015 \$1,659,517 was attributable to the *Governmental Activities* while the Business-Type Activities experienced an increase of \$705,493.

In comparing the operating results between the two fiscal years, (\$2,264,236) versus \$2,365,010, this swing of the \$4,629,246 change between FY2015 and FY2014, increased revenues accounted for \$3.7M while a decrease in expenditures made the remaining \$930,000. The more significant points are noted below:

**Revenues:**

- The *Charges for Services* category increased by \$1,839,042 from the prior year's amount. The majority of this change occurred in Business-Type Activities due to increased water usage of approximately \$710,000 and the implementation of the Leak Protection Program with revenues of \$767,000.
- Tax Revenues increased by \$1.9M, which includes Property Taxes of \$1.3M and Sales Taxes of \$457,000.

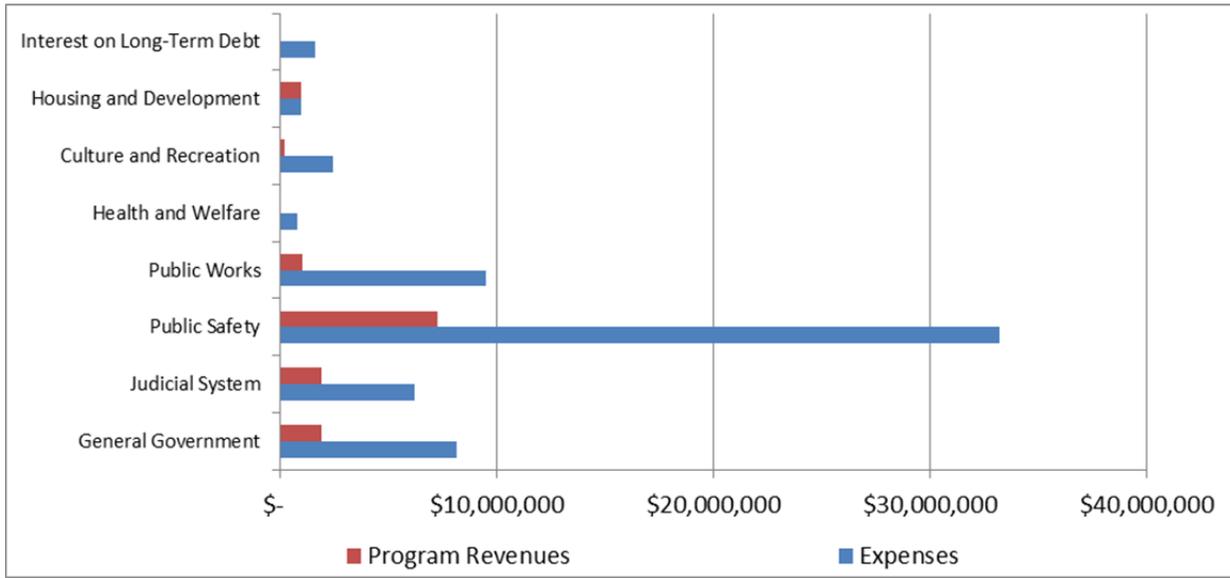
**Expenses:**

- The decrease in expenses, year over year, includes a major impact as a result of the implementation of GASB 68 creating a pension asset, thus reducing expenses, due to Fayette County's over-funded position within its deferred benefit plan. This change mainly impacts Public Safety.
- An increase in expenses came from Public Works and Water System related to Capital Assets/Infrastructure and the associated depreciation expense.

FY2014 Net Position restatement was primarily due to the implementation of GASBs No. 68 and 71 and the related pension accounting. Page 107 of the Notes provides more detail related to this change.

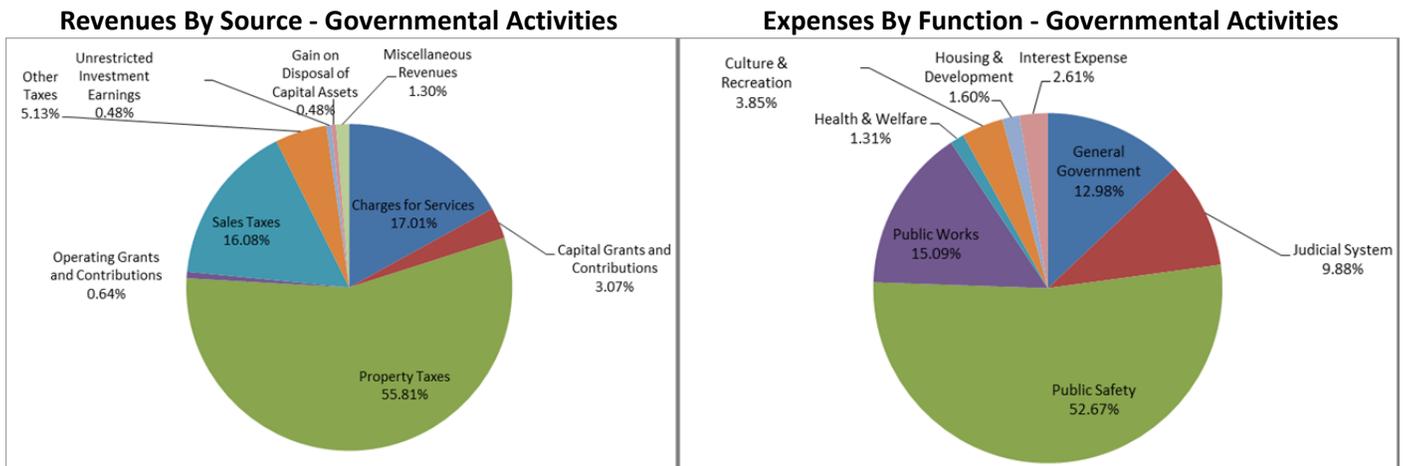
The chart provided below shows the relationship of functional expenses and the related program revenues that are generated to offset some of the expense of providing that service. Out of the \$63,056,185 in Total Governmental Activities Expenses for the 2015 fiscal year, \$13,512,020 is covered by Program Revenues. The remaining functional expenses of \$49,544,165 are funded through General Revenues such as taxes and interest income.

## Functional Expenses and Program Revenues – Governmental Activities



As with any government, management attempts to achieve the right mix between revenue sources and services. While the intrinsic nature of certain services, such as recreational programs and building inspections, lends themselves to the assessment of user fees to offset the cost of delivering that service; others such as public safety functions and social programs do not.

The pie chart that follows shows the relative mix of revenues used to fund the County’s *Governmental Activities* during the fiscal year ended June 30, 2015. As one might expect in the case of providing governmental services, the largest source is the Property Tax category. The second chart depicts the relative mix of functional expenses incurred by the *Governmental Activities*. Again, it comes as no real surprise that the largest expense of the County is the Public Safety function.



**Business-Type Activities.** A year over year increase in Net Position for the fiscal year ended June 30, 2015 of \$705,493 was attributable to the *Business-Type Activities*. As with the Governmental Activities, the Business-Type Activities were restated due to the implementation of GASBs No. 68 and 71. See page

107 of the Notes for further detail. In comparing the operating results between the two fiscal years, the key elements are discussed below:

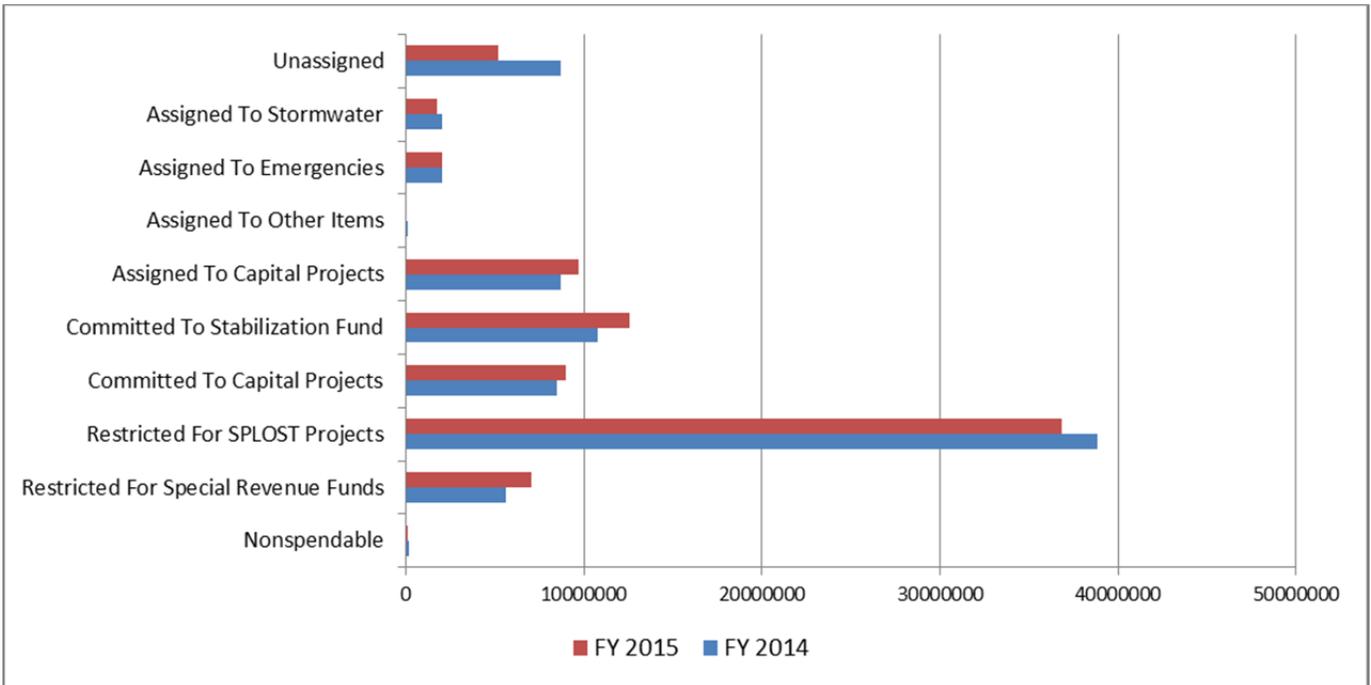
- The *Charges for Services* category increased by \$1.4M compared to the results for the previous fiscal year. The main reason for this increase was \$710,000 due to increased water usage and an additional \$767,000 due to the implementation of a new Leak Protection Program.
- The Water System received an additional \$192,313 in meter contributions due to construction within the County. This is \$112,822 less than 2014 meter contributions. Stormwater received a transfer of \$347,083 from the projects fund providing initial funding for beginning construction. Other revenues of \$450,000 included additional funding for a medical stabilization account.
- *Total Expenses* for the fiscal year ended June 30, 2015 increased by \$855,852 compared to the previous fiscal year. The portion related to the Water System totaled \$897,004 was a result of increased spending for improved water quality. Stormwater Utility operating expenses decreased around \$30,000 with the focus on project construction. Expenses for the Solid Waste Fund decreased approximately \$11,000 due to a reduction in landfill post closure monitoring costs and an increase in landfill improvements.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

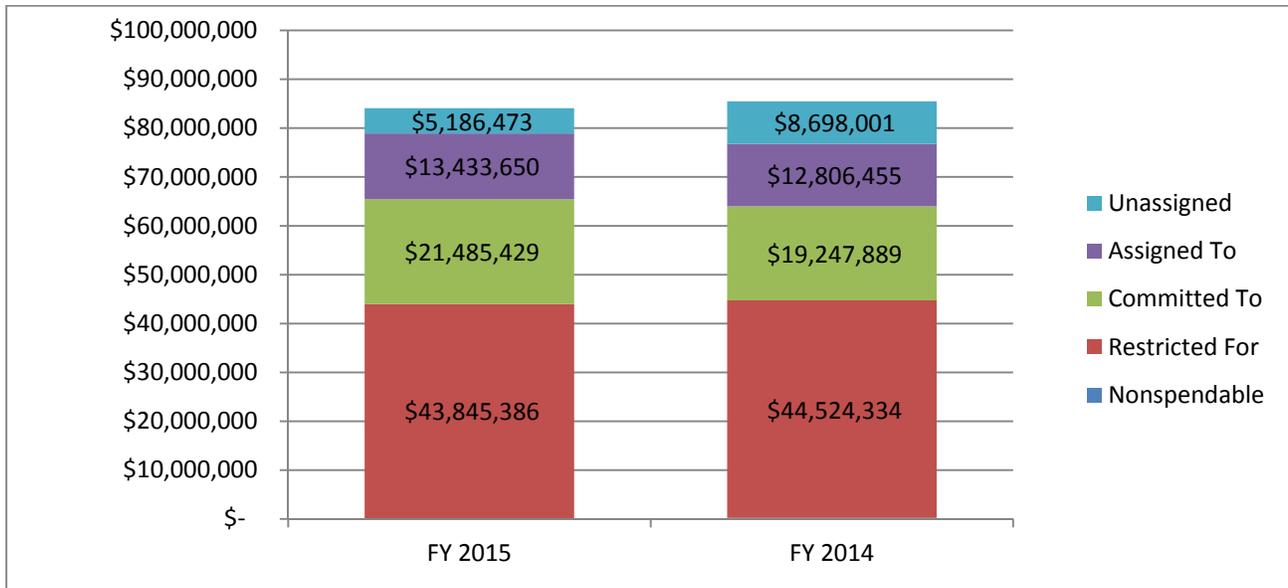
**Governmental Funds.** The focus of the *Governmental Funds* that the County uses is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information from a more short-term perspective is useful in assessing the County's financing requirements. In particular, *Unassigned Fund Balance* of the General Fund may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. It is, however, important to note that the *Unassigned Fund Balance* is not the same as cash and must be analyzed carefully to determine the actual amount of spendable resources. The same need for additional analysis is called for in regards to the *Restricted Fund Balance* for the Special Revenue Funds.

The following bar chart compares the fund balance information at June 30, 2014 and 2015. At the top of the chart is a comparison of the total for the two years. The items below "Total Fund Balance" provide an overview of how the various components of fund balance has changed as a result of the operating activity for the 2015 fiscal year. The discussion that immediately follows the chart will be helpful in understanding the underlying reasons for the increases or decreases in the particular data points.



As of June 30, 2015, Fayette County’s *Governmental Funds* reported combined ending fund balances of \$84,083,609, a decrease of (\$2,034,554) or about (2.4%) percent in comparison with the previous fiscal year. There are specific spending patterns and budgetary decisions that are responsible for the net decrease. First, the fund balances of the two SPLOST Road Capital Projects Funds decreased by a total of \$2,049,520 during the period. While the County is no longer receiving any revenues from the 2005 Special Purpose Local Option Sales Tax (SPLOST) which expired in March of 2010, those tax receipts collected in previous fiscal years are being spent to construct those road improvement projects approved by the voters. Since this was a one-time revenue source dedicated to use for specific road construction projects, this trend for annual decreases in fund balance for these two SPLOST Capital Projects Funds will continue until the remaining funds of \$36,826,551 are exhausted.

Secondly, \$4.8 million of capital project improvements were capitalized thus reducing fund balance. The significant increase is due to the capitalization of the Emergency Operations Center and Fire Station #3. Third, the excess of revenues over expenditures within the General Fund of \$2,220,989 increased fund balance, which was used to provide funding for the 2016 Capital Improvement and Construction projects budget.



To gather a good understanding of the availability for appropriation in future periods or the “spendability” of the \$84,083,609 reported as *Governmental Funds* fund balance, it is critical to begin by reviewing its various components in the report. By doing so, the reader can ascertain what legal restrictions, previous commitments, or intended uses might be associated with the various fund balances. The chart above depicts these components.

In looking at the first item in the report, only \$132,671 or 0.16% of the total is reported in the “*Nonspendable*” category. This amount represents inventories that are considered current assets but are not in a spendable form. Thus, this amount is not available for appropriation.

The aggregate amount for the “*Restricted For*” category is \$43,845,386 and comprises 52.1% of the total. The purpose of this category is to inform the reader that these balances carry specific legal restrictions as to what they can be spent for in future periods. So in terms of availability, any future appropriation would have to meet the legal restrictions associated with that specific fund. This component comprises the fund balances of the Special Revenue Funds (i.e., \$7,018,835) which are legally restricted for certain programs or services based on each individual fund’s revenue stream and the two SPLOST Road Capital Projects Funds (i.e., \$36,826,551) which are restricted by referendum to road construction expenditures.

The aggregate amount for the “*Committed To*” category is \$21,485,429 and comprises 25.6% of the total. This category represents the amount of fund balance that is not considered available for “new expenditures” since it has already been committed to a specific purpose by the Board of Commissioners. This component comprises the fund balances of the remaining Capital Projects Funds (i.e., \$8,958,023) which represents monies that the Board of Commissioners has committed to specific capital improvements, and a Stabilization Fund (\$12,527,406) that represents monies that the Board of Commissioners has committed to use as a working cash reserve balance in the General Fund. Since property tax revenues are not received until the middle of the fiscal year, these monies are needed to bridge the cash flow gap between expenditure outflows early in the fiscal year and revenue inflows

which occur later in the operating period. To avoid the need for short-term borrowing, the Stabilization Fund was created by Board resolution and consequently these committed funds are not considered to be spendable. In terms of budgetary coverage for the General Fund, the Stabilization Fund is equal to three months of normal operating expenditures and transfers out.

The sum of the “*Assigned To*” category is \$13,433,650 or about 16.0% of the total amount. This category identifies existing limitations on the “availability” of fund balance for appropriation since a specific future use has already been formally identified. This component represents monies that the Board of Commissioners has assigned for future use in an emergency (\$2,000,000), for a Stormwater Utility loan (\$1,750,000), and to provide a source of funding for the five-year capital improvements plan (\$9,683,650).

The final component is the *Unassigned Fund Balance* for the General Fund. At June 30, 2015, the balance was \$5,186,473 which comprises 6.2% of the total. This is the amount that can be spent at the government’s discretion in future periods.

### **Analysis of the Major Governmental Funds**

**General Fund:** The General Fund is the chief operating fund of Fayette County. At June 30, 2015 and 2014, the *Total Fund Balance* of the General Fund was \$31,280,200 and \$33,132,193, respectively. The net change in the fund balance during the 2015 fiscal year was a decrease of (\$1,851,993) or (5.6%). When comparing to last year’s increase of \$3.3 million in fund balance the overall change equates to a \$5.2 million change including an increase in revenues of \$1.6 million, an increase in expenditures of \$2.9 million and an increase in other financing uses of \$3.9 million.

FY2015 and FY14 revenues are \$46,411,167 and \$44,788,784, respectively. The variance, year over year approximately \$1.6 million. On the revenue side, the growth in the tax digest for Fayette County added \$674,000 in property taxes, while sales taxes increased by \$499,000 providing a \$1.2M increase in revenues. Other revenue categories showing increases included Intergovernmental revenues of \$295,000 and Fine and Forfeitures of \$248,000.

FY2015 expenditures of \$44,190,178 and FY2014 expenditures of \$41,301,436 varied, year over year, by \$2,888,742. The increase was due to several factors including \$500,000 increase in road maintenance, \$450,000 increased funding to medical stabilization, additional \$530,000 to vehicle/equipment replacement, and a \$700,000 cost of living increase for personnel.

The remaining variance year over year in other financing uses totaled \$3.9 million which includes an increase in transfers of \$4.2 million to fund capital projects from the assigned capital project fund balance.

At June 30, 2015 and 2014, the *Unassigned Fund Balance* was \$5,186,473 and \$8,698,001 respectively representing a decrease of (\$3,511,528) or (40.4%).

As a measure of the liquidity of the General Fund, it is useful to compare both the *Unassigned Fund Balance* and *Total Fund Balance* to total fund expenditures. At June 30, 2015, *Unassigned Fund Balance*

represents 11.7 percent of total General Fund expenditures; while *Total Fund Balance* represents 70 percent of that same amount.

*Fire Services:* The Fire Services Tax District Special Revenue Fund accounts for fire services that are provided to those residents living and businesses located within the tax district. The financing for the services accounted for in this fund primarily comes from a special tax levy and the insurance premium tax. This fund has a *Total Fund Balance* of \$2,836,135 at June 30, 2015, which represents an increase from the prior year of \$327,743 or 13.1%. The increase in fund balance can be traced to an increase in values related to the Tax Digest resulting in an increase in Property Taxes year over year. Again in measuring liquidity, *Total Fund Balance* for the Fire Services Fund represents 34.6 percent of its FY 2015 expenditures.

*Emergency Medical Services (EMS):* The EMS Tax District Special Revenue Fund accounts for emergency medical services provided to those residents living and businesses located within the tax district. The financing for the services accounted for in this fund also comes from a special tax levy. In addition to the property taxes, patient transport fees represent a significant source of funding for the provision of EMS services. This fund has a *Total Fund Balance* of \$1,711,627 at June 30, 2015, which represents a decrease from the prior year of \$84,780 or 5.2%. The increase in fund balance is a combination of an increase in property values leading to an increase in Property Taxes and an increase in the transport revenues. Again in measuring liquidity, *Total Fund Balance* for the EMS Fund represents 58.4 percent of its FY 2015 expenditures.

*County-Wide Roads SPLOST:* The County-Wide Roads SPLOST Capital Projects Fund has a total fund balance of \$36,027,186 at June 30, 2015, which represents a decrease from the prior year of \$2,010,429 or 5.3%. The primary reasons for the decrease in fund balance is continued work on approved road projects during the fiscal year coupled with the absence of a funding source because the SPLOST tax collection period ended in March of 2010. As noted previously, this downward trend in fund balance is expected to continue over the remaining life of the road SPLOST program.

**Proprietary Funds.** Fayette County's *Proprietary Funds* provide the same type of financial information found in the *Government-Wide Statements*, but in more detail. The *Total Net Position* for the three *Proprietary Funds* was \$82,380,120 at June 30, 2015 which represented an increase of \$705,493 from the previous year.

The *Unrestricted Net Position* of the Water System Enterprise Fund was \$8,314,934 June 30, 2015 which represented an increase of \$4,702,962 compared to the previous year. The primary reason for this increase was the annual payment to the debt service obligation for revenue bonds.

The *Total Net Position* for the Water System was \$80,040,586 June 30, 2015 which represents an increase of \$80,848 during the 2015 fiscal year while Solid Waste and Stormwater had changes of (\$269,920) and \$894,565, respectively.

## General Fund Budget

During Fiscal Year 2015, there was a net decrease of \$402,211 in expenditures (not including other financing uses) between the original and final amended budget. Besides the net effect of several minor budget adjustments, the major components of the difference between the original and final amended budget are as follows:

- A decrease of \$453,530 in expenditures of the Road Department for work re-scheduled for 2016 completion.
- A decrease of \$130,818 in salary/benefits for two positions included in the Permits & Inspections budget. These positions were not filled due to the non-renewal of the City of Fayetteville IGA related to Pinewood Studios.
- An increase of \$130,000 for additional Self-Insurance Workers Compensation.
- An increase of \$173,559 for an intergovernmental agreement with Clayton County for maintenance and repairs of two bridges.

On the revenue side not including other funding sources, the change in FY 2015 was a decrease of \$613,764. Besides the net effect of various minor budget adjustments, the major components of the revenue change are as follows:

- An additional \$50,000 for Taxes Personal Property.
- A decrease of \$423,340 on Building Permits included in the FY 2015 budget for the portion projected to be received per IGA for Pinewood Studios related to the non-renewal of the City of Fayetteville IGA.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** Fayette County's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$229,606,069 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, roads, highways, bridges, improvements other than buildings, machinery and equipment, raw water reservoirs, and park facilities. The tabular information presented below provides a breakdown of capital asset balances by general classification and activity type as of June 30, 2015 and 2014.

FAYETTE COUNTY, GEORGIA'S CAPITAL ASSETS (Net of Depreciation)						
General Classification	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Land	\$ 12,664,041	\$ 11,667,258	\$ 20,599,802	\$ 20,210,721	\$ 33,263,843	\$ 31,877,979
Buildings and Structures	48,851,094	47,202,379	30,252,646	31,492,645	79,103,740	78,695,024
Infrastructure	32,024,095	35,424,248	46,072,371	47,509,107	78,096,466	82,933,355
Improvements Other than						
Buildings	5,247,754	5,367,229	5,301,738	5,487,617	10,549,492	10,854,846
Machinery and Equipment	5,329,907	5,834,502	2,328,711	2,103,097	7,658,618	7,937,599
Construction in Progress	17,684,523	16,485,954	3,249,387	3,174,072	20,933,910	19,660,026
Total Capital Assets	\$ 121,801,414	\$ 121,981,570	\$ 107,804,655	\$ 109,977,259	\$ 229,606,069	\$ 231,958,829

The total decrease in the County’s investment in capital assets for the current fiscal year was (\$4,819,642) or (2.1%). The decrease can be further broken down into a decrease of (\$479,285) or (0.4%) for the governmental activities and a decrease of (\$4,340,357) or (3.9%) for the business-type activities.

Two large Public Safety projects were capitalized during the fiscal year. The two Public Safety projects were the construction of a new fire station (Fire Station #3) and the completion of the Emergency Operations Center. Those two projects alone accounted for \$3,264,840 of the \$4,842,891 decrease in Construction in Progress for fiscal year 2015. A new phone system at the new Emergency Operation Center and E911 accounted for another \$487,725 that was capitalized/decrease in Construction in Progress. An offsetting increase of \$6,041,460 in fiscal year expenses were attributed to the expenses related to improvements to the Kirkley Road and the Brittany Way Stormwater Projects, as well as other capital projects that took place in fiscal year 2015.

Additional information on Fayette County’s capital assets is provided in Note III. C. which can be found on pages 78 through 80 of this report.

**Long-Term Debt.** At the end of the current fiscal year, Fayette County had total bonded debt outstanding of \$83,785,000. This total represents a decrease of \$5,080,000 from the prior year. All of the outstanding bonds are revenue bonds which are secured by specified revenue sources. The bond debt as of June 30, 2015 and 2014 is shown in the following table.

<b>FAYETTE COUNTY’S OUTSTANDING REVENUE BOND DEBT</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2014</u>
Revenue Bonds	<b>\$35,260,000</b>	\$36,970,000	<b>\$48,525,000</b>	\$51,895,000	<b>\$83,785,000</b>	\$88,865,000

The \$35,260,000 of debt shown in the Governmental Activities column represents the Fayette County Public Facilities Authority Revenue Bonds which were issued to construct the Criminal Justice Center and jail. The outstanding bonds are secured by a lease agreement with the County in which the annual installment payments on the purchase of the Criminal Justice Center and jail are equal to the annual debt service payments. At the original issue, the Public Facilities Authority Revenue Bonds received a rating of “Aa1” from Moody’s Investors Service and a rating of “AA+” from Standard and Poor’s.

The \$48,525,000 of debt shown in the Business-Type Activities column represents Fayette County Water Revenue Bonds which have been issued primarily for the purpose of constructing plants, storage tanks, raw water reservoirs and pipelines for the Water System, and the refunding of previous bond issues. The outstanding bonds are secured by a pledge of and lien on revenues derived by the County from the ownership and operation of the Water System. The Fayette County, Georgia Water Revenue Bonds have received a rating of “Aa2” from Moody’s Investors Service and a rating of “AA” from Standard and Poor’s.

In February 2015, Moody’s upgraded Fayette County’s bond rating to “Aaa” following Standard and Poor’s upgrade to “AAA” in August 2014.

Additional information on Fayette County's long-term debt is provided in Note III. F. which can be found on pages 82 through 88 of this report.

### **Economic Factors**

Both national and local economies continue to show signs of growth and recovery. On the national level, the stock market is strong and employment rates are good. Locally, increases in housing starts and increased resale activity are evidence of the continued economic recovery. Some important indicators of current economic conditions are:

- U.S. Department of Labor statistics indicate that the unemployment rate for the United States in June 2015 was 5.3 percent which represented a decrease of 0.8 percent from the June 2014 rate of 6.1 percent. Similarly, the jobless rate for the State of Georgia in June 2015 was 6.1 percent which was down 1.2 percent from the previous June. Fayette County's unemployment rate was 6.0 percent in June 2015 which is above the national average but slightly below the state average.
- The Consumer Price Index (CPI) has increased by 0.3 percent from June 2014 to June 2015 according to the Bureau of Labor Statistics.
- According to the Georgia Department of Revenue, the Net Maintenance and Operation (M&O) Tax Digest for Fayette County increased by \$74,731,793 or 1.7 percent from January 1, 2013 to January 1, 2014. The increase from January 1, 2014 to January 1, 2015 was \$141,161,678 or 3.2 percent.

These economic factors were taken into consideration when preparing the County's budget for the 2016 fiscal year.

### **Next Year's Budget and Rates**

During the current fiscal year, the *Unassigned Fund Balance* in the General Fund decreased from \$8,698,001 to \$5,186,473. For the upcoming 2016 fiscal year budget, under continuing improved economic conditions, the direction from the Board of Commissioners was to develop a balanced budget without the use of reserved fund balance thus avoiding the need to raise property taxes. In fact, the FY 2016 budget includes a rollback of the General Fund maintenance & operations millage rate. This was accomplished by focusing on continued cost containment.

The millage rates adopted for the various tax-supported Governmental Funds for fiscal years 2016 and 2015 are shown in the following table. A reduction to the General Fund maintenance and operations millage rate for the 2016 fiscal year budget was applied to eliminate any tax increase resulting from an increase in home value (known as the rollback rate), thus no change in the amount of taxes billed for General Fund operations.

<u>Governmental Fund</u>	<u>MILLAGE RATES</u>		<u>NET CHANGE</u>	
	<u>FY 2016</u>	<u>FY 2015</u>	<u>AMOUNT</u>	<u>PERCENT</u>
General Fund (M&O)	5.171	5.602	(0.431)	(7.69%)
Fire Services	3.070	3.070	- 0 -	- %
Emergency Medical Services	0.456	0.456	- 0 -	- %
E911 Communications	<u>0.210</u>	<u>0.210</u>	<u>- 0 -</u>	<u>- %</u>
Total for All Funds	<u>8.907</u>	<u>9.338</u>	<u>(0.431)</u>	<u>(7.69%)</u>

For the 2016 fiscal year budget, there were no rate adjustments approved for any of the three Enterprise Funds.

**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 [fayettecountyga.gov](http://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



*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

# **BASIC FINANCIAL STATEMENTS**

**Fayette County, Georgia**  
**Statement of Net Position**  
**June 30, 2015**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
<b>ASSETS</b>					
Cash and cash equivalents:					
Unrestricted	\$ 30,025,910	\$ 4,281,377	\$ 34,307,287	\$ 270,224	\$ 639,363
Restricted	710,755	22,006,629	22,717,384	640,057	-
Investments	61,606,073	-	61,606,073	-	679,390
Receivables (net of allowance for uncollectibles)	3,572,481	1,813,719	5,386,200	-	39,545
Inventories and prepaid items	222,039	444,561	666,600	3,250	-
Net pension asset	6,733,354	786,586	7,519,940	-	-
Capital assets not being depreciated	30,348,564	23,849,189	54,197,753	-	-
Capital assets, net of accumulated depreciation	<u>91,452,850</u>	<u>83,955,466</u>	<u>175,408,316</u>	<u>172,429</u>	<u>30,744</u>
Total assets	<u>224,672,026</u>	<u>137,137,527</u>	<u>361,809,553</u>	<u>1,085,960</u>	<u>1,389,042</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	146,621	17,129	163,750	-	178,321
Deferred charges on bond refunding	<u>2,666,175</u>	<u>1,026,091</u>	<u>3,692,266</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>2,812,796</u>	<u>1,043,220</u>	<u>3,856,016</u>	<u>-</u>	<u>178,321</u>
Total assets and deferred outflows of resources	<u>227,484,822</u>	<u>138,180,747</u>	<u>365,665,569</u>	<u>1,085,960</u>	<u>1,567,363</u>

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

**Fayette County, Georgia**  
**Statement of Net Position**  
**June 30, 2015**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
<b>LIABILITIES</b>					
Accounts payable and other current liabilities	2,691,563	2,745,305	5,436,868	641,105	31,547
Salaries and benefits payable	1,633,527	161,220	1,794,747	-	-
Accrued interest payable	117,054	529,690	646,744	-	-
Noncurrent liabilities:					
Due within one year	3,010,963	3,464,774	6,475,737	-	35,639
Due in more than one year	38,496,766	48,899,638	87,396,404	-	1,059,293
Total liabilities	<u>45,949,873</u>	<u>55,800,627</u>	<u>101,750,500</u>	<u>641,105</u>	<u>1,126,479</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	-	-	-	-	241,879
Total liabilities and deferred inflows of resources	<u>45,949,873</u>	<u>55,800,627</u>	<u>101,750,500</u>	<u>641,105</u>	<u>1,368,358</u>
<b>NET POSITION</b>					
Net investment in capital assets	87,415,034	56,683,378	144,098,412	172,429	30,744
Restricted for:					
Highways and streets	36,826,551	-	36,826,551	-	-
Special tax district services	4,687,313	-	4,687,313	-	-
Other purposes	3,645,119	-	3,645,119	-	806,340
Debt service	-	8,807,286	8,807,286	-	-
Renewal and extension	-	6,603,656	6,603,656	-	-
Unrestricted	<u>48,960,932</u>	<u>10,285,800</u>	<u>59,246,732</u>	<u>272,426</u>	<u>(638,079)</u>
Total net position	<u>\$ 181,534,949</u>	<u>\$ 82,380,120</u>	<u>\$ 263,915,069</u>	<u>\$ 444,855</u>	<u>\$ 199,005</u>

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



**Fayette County, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General	Fire Services	Emergency Medical Services	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 3,776,541	\$ 1,033,849	\$ 1,261,670	\$ 11,467,128	\$ 8,510,841	\$ 26,050,029
Investments	27,795,801	2,048,182	-	24,569,361	4,112,425	58,525,769
Receivables (net of allowances for uncollectibles)	2,220,880	120,514	589,017	-	642,070	3,572,481
Inventories	132,671	-	-	-	-	132,671
Total assets	<u>\$ 33,925,893</u>	<u>\$ 3,202,545</u>	<u>\$ 1,850,687</u>	<u>\$ 36,036,489</u>	<u>\$ 13,265,336</u>	<u>\$ 88,280,950</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:</b>						
Liabilities:						
Accounts payable	\$ 1,269,916	\$ 21,736	\$ 30,478	\$ 9,303	\$ 968,996	\$ 2,300,429
Salary and benefits payable	1,179,806	295,607	97,456	-	60,658	1,633,527
Compensated absences	24,839	-	-	-	-	24,839
Unearned revenue	13,982	-	-	-	-	13,982
Total liabilities	<u>2,488,543</u>	<u>317,343</u>	<u>127,934</u>	<u>9,303</u>	<u>1,029,654</u>	<u>3,972,777</u>
Deferred inflows of resources - Unavailable revenue	<u>157,150</u>	<u>49,067</u>	<u>11,126</u>	<u>-</u>	<u>7,221</u>	<u>224,564</u>
Fund balances:						
Nonspendable	132,671	-	-	-	-	132,671
Restricted for:						
Capital projects	-	-	-	36,027,186	799,365	36,826,551
Special programs	-	2,836,135	1,711,627	-	2,471,073	7,018,835
Committed to:						
Capital projects	-	-	-	-	8,958,023	8,958,023
Stabilization fund	12,527,406	-	-	-	-	12,527,406
Assigned to:						
Emergencies	2,000,000	-	-	-	-	2,000,000
Stormwater loan	1,750,000	-	-	-	-	1,750,000
Capital projects	9,683,650	-	-	-	-	9,683,650
Unassigned	5,186,473	-	-	-	-	5,186,473
Total fund balances	<u>31,280,200</u>	<u>2,836,135</u>	<u>1,711,627</u>	<u>36,027,186</u>	<u>12,228,461</u>	<u>84,083,609</u>
Total liabilities and fund balances	<u>\$ 33,925,893</u>	<u>\$ 3,202,545</u>	<u>\$ 1,850,687</u>	<u>\$ 36,036,489</u>	<u>\$ 13,265,336</u>	<u>\$ 88,280,950</u>

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 Position**  
**June 30, 2015**

Total fund balances - Governmental Funds \$ 84,083,609

Amounts for Governmental Activities on the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported as assets in Governmental Funds. 121,801,414

Prepaid expenses are reported on the consumption method and therefore are not reported in the Governmental Funds. 82,618

The net pension asset and related deferred inflows and outflows of resources are not due and payable in the current period and, therefore are not reported in the funds. 6,879,975

Property taxes that have been levied for the current and prior years and not collected within sixty days of the year-end are not available soon enough to pay for the current period's expenditures. Therefore, that portion of taxes receivable is reported as unavailable revenues in the Governmental Funds. 224,564

Internal Service Funds are used by management to charge the costs of certain employee insurance coverages and vehicle/equipment expenses to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Governmental Activities in the Statement of Net Position.

Net position of the Internal Service Funds	\$ 9,425,270	
Less: Capital assets (included above)	<u>(2,629,732)</u>	6,795,538

Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the Governmental Funds.

Revenue bonds payable	(35,260,000)	
Less: Deferred charges on refunding	2,666,175	
Add: Bond premium	(1,191,555)	
Compensated absences	(2,868,504)	
Early termination benefits	(323,191)	
Other postemployment benefits	(1,238,640)	
Accrued interest	<u>(117,054)</u>	<u>(38,332,769)</u>

Total net position - Governmental Activities \$ 181,534,949

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, 2015**

<b>REVENUES:</b>	<u>General</u>	<u>Fire Services</u>	<u>Emergency Medical Services</u>	<u>County-Wide Roads SPLOST</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Taxes:						
Property	\$ 27,898,227	\$ 6,069,091	\$ 1,223,107	\$ -	\$ 1,255,445	\$ 36,445,870
Sales	10,435,200	-	-	14,541	6,232	10,455,973
Other	925,602	2,400,163	5,394	-	2,659	3,333,818
Licenses and permits	1,020,180	-	-	-	-	1,020,180
Intergovernmental	1,300,417	-	-	-	837,785	2,138,202
Charges for services	2,858,160	199,446	1,864,309	-	2,497,676	7,419,591
Fines and forfeitures	1,534,426	-	-	-	1,088,745	2,623,171
Investment earnings	225,344	13,921	405	169,137	27,877	436,684
Contributions and donations	10,671	250	-	-	20,020	30,941
Miscellaneous revenues	202,940	42,524	-	-	42,179	287,643
Total revenues	<u>46,411,167</u>	<u>8,725,395</u>	<u>3,093,215</u>	<u>183,678</u>	<u>5,778,618</u>	<u>64,192,073</u>
<b>EXPENDITURES:</b>						
Current:						
General government	8,474,229	-	-	-	-	8,474,229
Judicial system	4,896,277	-	-	-	531,327	5,427,604
Public safety	18,441,771	8,194,508	2,929,170	-	3,596,025	33,161,474
Public works	5,142,743	-	-	-	307,632	5,450,375
Health and welfare	820,891	-	-	-	-	820,891
Culture and recreation	2,078,287	-	-	-	-	2,078,287
Housing and development	1,072,343	-	-	-	-	1,072,343
Debt service:						
Principal retirement	1,710,000	-	-	-	-	1,710,000
Interest and fiscal charges	1,553,637	-	-	-	-	1,553,637
Capital outlay	-	-	-	1,610,724	4,395,085	6,005,809
Intergovernmental	-	-	-	583,383	3,185	586,568
Total expenditures	<u>44,190,178</u>	<u>8,194,508</u>	<u>2,929,170</u>	<u>2,194,107</u>	<u>8,833,254</u>	<u>66,341,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,220,989</u>	<u>530,887</u>	<u>164,045</u>	<u>(2,010,429)</u>	<u>(3,054,636)</u>	<u>(2,149,144)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	258,065	189,083	45,935	-	4,994,009	5,487,092
Transfers out	(4,361,587)	(475,987)	(125,200)	-	(1,773,028)	(6,735,802)
Sale of capital assets	30,540	83,760	-	-	1,249,000	1,363,300
Total other financing sources (uses)	<u>(4,072,982)</u>	<u>(203,144)</u>	<u>(79,265)</u>	<u>-</u>	<u>4,469,981</u>	<u>114,590</u>
Net change in fund balance	(1,851,993)	327,743	84,780	(2,010,429)	1,415,345	(2,034,554)
Fund balance, beginning of year, as restated	<u>33,132,193</u>	<u>2,508,392</u>	<u>1,626,847</u>	<u>38,037,615</u>	<u>10,813,116</u>	<u>86,118,163</u>
Fund balance, end of year	<u>\$ 31,280,200</u>	<u>\$ 2,836,135</u>	<u>\$ 1,711,627</u>	<u>\$ 36,027,186</u>	<u>\$ 12,228,461</u>	<u>\$ 84,083,609</u>

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, 2015**

Net change in fund balances - total Governmental Funds \$ (2,034,554)

Amounts for Governmental Activities on the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

	Capital outlay	\$ 7,598,309	
	Depreciation expense	<u>(7,085,681)</u>	512,628

The net effect of various transactions involving capital assets (i.e., sales , trade-ins and donations) is to decrease Net Position. (1,049,007)

Internal Service Funds are used by management to charge the costs of certain employee insurance coverages and vehicle/equipment expenses to the individual funds. The Net revenue of certain activities of Internal Service Funds is reported with Governmental Activities. 1,422,637

Prepaid expenses are reported on the purchases method in Governmental Funds but are reported as consumed in the Statement of Net Position (84,392)

Property taxes that have been levied for the current and prior years and not collected within sixty days of year-end are not considered "available" revenues and are considered to be unearned revenues in the Governmental Funds. This item decreased by this amount from the prior year. (154,600)

In the Statement of Activities, certain payroll related expenses are measured by the amounts that are earned during the year. However in the Governmental Funds, expenditures for these items are recorded as financial resources used to compensate the employee during the fiscal year. The detail of changes in these accrued expenses from the prior year is as follows:

	Compensated absences	(145,628)	
	Early termination benefits	(68,319)	
	Other post employment benefits	<u>(105,368)</u>	(319,315)

Changes in the net pension asset shown in the Statement of Net Position are not recognized in the Governmental Funds since current financial resources are used in the creation of the asset. 1,748,473

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in Governmental Funds. Accrued interest payable on the long-term debt represents this difference. 5,943

The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The detail of the effect of these differences in the treatment of long-term debt and related items is as follows:

	Repayment of bond principal	1,710,000	
	Deferred charges amortization	(177,745)	
	Bond premium amortization	<u>79,449</u>	<u>1,611,704</u>

Change in net position of Governmental Activities \$ 1,659,517

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

**Fayette County, Georgia**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 39,407,350	\$ 39,457,350	\$ 39,259,029	\$ (198,321)
Licenses and permits	1,395,500	972,160	1,020,180	48,020
Intergovernmental	1,574,527	1,325,958	1,300,417	(25,541)
Charges for services	2,970,842	2,970,842	2,858,160	(112,682)
Fines and forfeitures	1,362,000	1,362,000	1,534,426	172,426
Investment earnings	150,000	150,000	225,344	75,344
Contributions and donations	2,000	10,145	10,671	526
Miscellaneous revenues	190,900	190,900	202,940	12,040
Total revenues	<u>47,053,119</u>	<u>46,439,355</u>	<u>46,411,167</u>	<u>(28,188)</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Commissioners	537,945	473,741	453,883	19,858
Administration	345,066	351,066	343,110	7,956
Elections	540,173	535,991	463,545	72,446
Finance	1,102,431	1,051,458	999,076	52,382
Purchasing	198,490	198,520	198,517	3
Law department	305,000	305,000	240,457	64,543
Information systems	887,092	884,633	795,059	89,574
Human resources	393,388	398,538	380,509	18,029
Tax commissioner	1,078,479	1,065,980	1,043,413	22,567
Tax assessor	850,998	890,353	831,829	58,524
Buildings & grounds maintenance	1,584,835	1,691,746	1,601,585	90,161
Engineering office	258,727	178,607	175,707	2,900
Non-departmental	916,619	947,785	947,539	246
Total general government	<u>8,999,243</u>	<u>8,973,418</u>	<u>8,474,229</u>	<u>499,189</u>
Judicial system:				
Judges, court reporter	284,663	302,563	302,505	58
Clerk of superior court	1,271,004	1,291,068	1,259,858	31,210
District attorney	330,140	330,140	326,990	3,150
Clerk of state court	287,655	287,655	282,213	5,442
State court solicitor	598,895	593,307	564,738	28,569
State court judge	350,693	351,277	341,374	9,903
Magistrate court	415,833	411,781	411,613	168
Probate court	352,541	353,866	351,485	2,381
Juvenile court	261,529	377,767	342,726	35,041
Public defender	484,803	484,803	484,803	-
Non-departmental	225,278	227,978	227,972	6
Total judicial system	<u>4,863,034</u>	<u>5,012,205</u>	<u>4,896,277</u>	<u>115,928</u>

*Continued on next page*

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

**Fayette County, Georgia**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>Public safety:</b>				
Sheriff's office	16,883,990	16,835,199	16,609,224	225,975
County coroner	85,166	95,346	95,346	-
Animal control	346,121	389,712	354,834	34,878
Emergency management	332,340	332,340	316,384	15,956
Non-departmental	1,078,394	1,089,982	1,065,983	23,999
Total public safety	18,726,011	18,742,579	18,441,771	300,808
<b>Public works:</b>				
Public works administration	210,419	210,419	180,155	30,264
Road department	4,976,864	4,404,079	3,992,474	411,605
Stormwater management	399,285	395,104	368,109	26,995
Fleet maintenance	561,976	707,909	602,005	105,904
Total public works	6,148,544	5,717,511	5,142,743	574,768
<b>Health and welfare:</b>				
Physical health	335,770	335,770	335,770	-
Fayette counseling center	125,380	125,380	125,380	-
Family and children services	39,325	39,325	39,325	-
Fayette community options	59,270	59,270	59,270	-
Fayette family connection	45,000	45,000	45,000	-
Senior citizens center	199,556	199,556	196,798	2,758
Youth protection	19,348	19,348	19,348	-
Total health and welfare	823,649	823,649	820,891	2,758
<b>Culture and recreation:</b>				
Recreation	1,140,742	1,161,816	1,065,670	96,146
Library	1,007,768	1,013,524	1,012,617	907
Total culture and recreation	2,148,510	2,175,340	2,078,287	97,053
<b>Housing and development:</b>				
County extension	130,950	130,950	115,281	15,669
Georgia forestry commission	3,336	3,336	3,336	-
Permits and inspections	696,850	557,944	529,976	27,968
Planning and zoning	326,662	326,662	310,632	16,030
Development authority	112,136	113,120	113,118	2
Total housing and development	1,269,934	1,132,012	1,072,343	59,669

*Continued on Next Page*

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

**Fayette County, Georgia**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Debt service:				
Principal retirement	1,710,000	1,710,000	1,710,000	-
Interest and fiscal charges	1,553,717	1,553,717	1,553,637	80
Total debt service	<u>3,263,717</u>	<u>3,263,717</u>	<u>3,263,637</u>	<u>80</u>
 Total expenditures	<u>46,242,642</u>	<u>45,840,431</u>	<u>44,190,178</u>	<u>1,650,253</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>810,477</u>	<u>598,924</u>	<u>2,220,989</u>	<u>1,622,065</u>
 <b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	250,000	258,065	258,065	-
Transfers out	(6,157,628)	(4,361,587)	(4,361,587)	-
Sale of capital assets	-	-	30,540	30,540
Total other financing sources (uses)	<u>(5,907,628)</u>	<u>(4,103,522)</u>	<u>(4,072,982)</u>	<u>30,540</u>
 Net change in fund balance	<u>\$ (5,097,151)</u>	<u>\$ (3,504,598)</u>	(1,851,993)	<u>\$ 1,652,605</u>
 Fund balance, beginning of year, as restated			<u>33,132,193</u>	
 Fund balance, end of year			<u>\$ 31,280,200</u>	

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

**Fayette County, Georgia**  
**Fire Services Tax District Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 5,996,500	\$ 5,953,500	\$ 6,069,091	\$ 115,591
Other	2,265,850	2,265,850	2,400,163	134,313
Charges for services	193,000	193,000	199,446	6,446
Investment earnings	10,000	10,000	13,921	3,921
Contributions and donations	1,550	1,550	250	(1,300)
Miscellaneous revenues	54,000	54,000	42,524	(11,476)
	<u>8,520,900</u>	<u>8,477,900</u>	<u>8,725,395</u>	<u>247,495</u>
<b>EXPENDITURES:</b>				
Current -				
Public Safety -				
Fire services	8,219,346	8,424,194	8,194,508	229,686
	<u>8,219,346</u>	<u>8,424,194</u>	<u>8,194,508</u>	<u>229,686</u>
Excess of revenues over expenditures	<u>301,554</u>	<u>53,706</u>	<u>530,887</u>	<u>477,181</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	189,083	189,083	-
Transfers out	(392,225)	(475,987)	(475,987)	-
Sale of capital assets	-	-	83,760	83,760
	<u>(392,225)</u>	<u>(286,904)</u>	<u>(203,144)</u>	<u>83,760</u>
Net change in fund balance	<u>\$ (90,671)</u>	<u>\$ (233,198)</u>	327,743	<u>\$ 560,941</u>
Fund balance, beginning of year			<u>2,508,392</u>	
Fund balance, end of year			<u>\$ 2,836,135</u>	

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

**Fayette County, Georgia**  
**Emergency Medical Services (EMS) Tax District Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 1,234,000	\$ 1,207,000	\$ 1,223,107	\$ 16,107
Other	4,200	4,200	5,394	1,194
Charges for services	1,855,000	1,786,245	1,864,309	78,064
Investment earnings	250	250	405	155
	<u>3,093,450</u>	<u>2,997,695</u>	<u>3,093,215</u>	<u>95,520</u>
<b>EXPENDITURES:</b>				
Current -				
Public Safety -				
Emergency medical services	2,964,278	2,964,278	2,929,170	35,108
	<u>2,964,278</u>	<u>2,964,278</u>	<u>2,929,170</u>	<u>35,108</u>
Excess of revenues over expenditures	129,172	33,417	164,045	130,628
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	45,935	45,935	-
Transfers out	(125,200)	(125,200)	(125,200)	-
	<u>(125,200)</u>	<u>(79,265)</u>	<u>(79,265)</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,972</u>	<u>\$ (45,848)</u>	84,780	<u>\$ 130,628</u>
Fund balance, beginning of year			<u>1,626,847</u>	
Fund balance, end of year			<u>\$ 1,711,627</u>	

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

**Fayette County, Georgia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents:				
Unrestricted	\$ 2,559,284	\$ 1,722,093	\$ 4,281,377	\$ 3,786,276
Restricted	22,006,629	-	22,006,629	710,755
Cash with fiscal agent	-	-	-	189,605
Investments	-	-	-	3,080,304
Interest receivable	-	15	15	-
Accounts receivable, net of allowance	1,539,349	274,355	1,813,704	-
Inventories	409,920	-	409,920	-
Prepaid items	34,641	-	34,641	6,750
Total current assets	<u>26,549,823</u>	<u>1,996,463</u>	<u>28,546,286</u>	<u>7,773,690</u>
Noncurrent assets:				
Capital assets:				
Land	20,583,285	16,517	20,599,802	-
Construction in progress	3,002,755	246,632	3,249,387	-
Buildings and structures	58,478,900	158,499	58,637,399	-
Infrastructure	87,563,508	-	87,563,508	-
Improvements	14,967,654	120,170	15,087,824	-
Machinery, equipment and vehicles	10,450,827	210,445	10,661,272	14,983,681
Less: accumulated depreciation	<u>(87,610,942)</u>	<u>(383,595)</u>	<u>(87,994,537)</u>	<u>(12,353,949)</u>
Total capital assets (net of accumulated depreciation)	<u>107,435,987</u>	<u>368,668</u>	<u>107,804,655</u>	<u>2,629,732</u>
Other assets -				
Net pension asset	<u>773,050</u>	<u>13,536</u>	<u>786,586</u>	<u>-</u>
Total noncurrent assets	<u>108,209,037</u>	<u>382,204</u>	<u>108,591,241</u>	<u>2,629,732</u>
Total assets	<u>134,758,860</u>	<u>2,378,667</u>	<u>137,137,527</u>	<u>10,403,422</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	16,834	295	17,129	-
Deferred charges on bond refunding	<u>1,026,091</u>	<u>-</u>	<u>1,026,091</u>	<u>-</u>
Total deferred outflows of resources	<u>1,042,925</u>	<u>295</u>	<u>1,043,220</u>	<u>-</u>

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

**Fayette County, Georgia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2,630,933	36,472	2,667,405	12,988
Claims payable	-	-	-	364,164
Salaries and benefits payable	171,719	1,716	173,435	-
Compensated absences	47,522	37	47,559	-
Unearned revenue	77,900	-	77,900	-
Accrued interest payable	529,690	-	529,690	-
Revenue bonds payable - current	3,405,000	-	3,405,000	-
Total current liabilities	6,862,764	38,225	6,900,989	377,152
Noncurrent liabilities:				
Compensated absences	132,690	1,203	133,893	-
Early termination benefits	23,377	-	23,377	-
Certificates of participation	-	-	-	601,000
Bonds payable (net of discounts and premiums)	48,742,368	-	48,742,368	-
	48,898,435	1,203	48,899,638	601,000
Total liabilities	55,761,199	39,428	55,800,627	978,152
<b>NET POSITION</b>				
Net investment in capital assets	56,314,710	368,668	56,683,378	2,028,732
Restricted for:				
Debt service	8,807,286	-	8,807,286	-
Renewal and construction	6,603,656	-	6,603,656	-
Unrestricted	8,314,934	1,970,866	10,285,800	7,396,538
Total net position	\$ 80,040,586	\$ 2,339,534	\$ 82,380,120	\$ 9,425,270

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

**Fayette County, Georgia**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
<b>Operating Revenues:</b>				
Charges for sales and services:				
Water sales	\$ 15,271,737	\$ -	\$ 15,271,737	\$ -
Solid waste fees	-	66,733	66,733	-
Stormwater fees	-	607,427	607,427	-
Other services	-	-	-	7,883,423
Miscellaneous	-	-	-	450,000
Total operating revenues	15,271,737	674,160	15,945,897	8,333,423
<b>Operating Expenses:</b>				
Costs of sales and services	4,531,130	349,299	4,880,429	6,794,690
Administration	3,474,950	30,946	3,505,896	486,007
Depreciation	5,311,187	16,487	5,327,674	680,604
Total operating expenses	13,317,267	396,732	13,713,999	7,961,301
Operating income	1,954,470	277,428	2,231,898	372,122
<b>Nonoperating Revenues (Expenses):</b>				
Interest income	13,417	134	13,551	47,112
Interest expense	(2,184,478)	-	(2,184,478)	(2,598)
Loss on disposal of capital assets	(13,027)	-	(13,027)	(3,570)
Other income	142,538	-	142,538	67,500
Total nonoperating revenues (expenses)	(2,041,550)	134	(2,041,416)	108,444
Income (loss) before contributions and transfers	(87,080)	277,562	190,482	480,566
Capital contributions	167,928	-	167,928	40,444
Transfers in	-	347,083	347,083	901,627
Change in net position	80,848	624,645	705,493	1,422,637
Total net position - beginning, as restated	79,959,738	1,714,889	81,674,627	8,002,633
Total net position - ending	\$ 80,040,586	\$ 2,339,534	\$ 82,380,120	\$ 9,425,270

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, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Water System</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 15,574,662	\$ 601,121	\$ 16,175,783	\$ 1,779,715
Receipts from interfund services provided	-	-	-	6,103,708
Payments to suppliers	(3,949,003)	(294,641)	(4,243,644)	(7,094,036)
Payments to employees	(3,363,075)	(40,493)	(3,403,568)	-
Net cash provided by operating activities	<u>8,262,584</u>	<u>265,987</u>	<u>8,528,571</u>	<u>789,387</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers in	-	347,083	347,083	901,627
Net cash provided by noncapital financing activities	<u>-</u>	<u>347,083</u>	<u>347,083</u>	<u>901,627</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal paid on revenue bonds	(3,370,000)	-	(3,370,000)	-
Interest paid on revenue bonds	(2,359,931)	-	(2,359,931)	-
Redemption of certificates of participation	-	-	-	(271,000)
Interest paid on certificates of participation	-	-	-	(2,598)
Acquisition and construction of capital assets	(2,833,062)	(167,107)	(3,000,169)	-
Purchase of capital assets	-	-	-	(878,610)
Proceeds from sale of capital assets	-	-	-	61,893
Net cash used by capital and Related financing activities	<u>(8,562,993)</u>	<u>(167,107)</u>	<u>(8,730,100)</u>	<u>(1,090,315)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	13,417	134	13,551	47,112
Purchase of investments	-	-	-	(18,292)
Net cash provided by investing activities	<u>13,417</u>	<u>134</u>	<u>13,551</u>	<u>28,820</u>
Net increase (decrease) in cash and cash equivalents	(286,992)	446,097	159,105	629,519
Cash and cash equivalents at beginning of year	<u>24,852,905</u>	<u>1,275,996</u>	<u>26,128,901</u>	<u>4,057,117</u>
Cash and cash equivalents at end of year	<u>\$ 24,565,913</u>	<u>\$ 1,722,093</u>	<u>\$ 26,288,006</u>	<u>\$ 4,686,636</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, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water System</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	
<b>Reconciliation of Operating Income to Net Cash Flows Provided by Operating Activities:</b>				
Operating income	\$ 1,954,470	\$ 277,428	\$ 2,231,898	\$ 372,122
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	5,311,187	16,487	5,327,674	680,604
Other income	142,538	-	142,538	
Decrease (increase) in assets:				
Accounts and interest receivable	116,744	(51,579)	65,165	537
Inventory	(2,828)	-	(2,828)	-
Prepaid items	(22,786)	96	(22,690)	-
Pension related items	(200,741)	(3,515)	(204,256)	-
Increase (decrease) in liabilities:				
Accounts payable	869,391	25,949	895,340	24
Salaries and benefits payable	30,907	153	31,060	-
Compensated absences	19,729	968	20,697	-
Early termination benefits	8,473	-	8,473	-
Unearned revenue	35,500	-	35,500	-
Claims payable	-	-	-	(263,900)
Total adjustments	6,308,114	(11,441)	6,296,673	417,265
Net cash provided by operating activities	<u>\$ 8,262,584</u>	<u>\$ 265,987</u>	<u>\$ 8,528,571</u>	<u>\$ 789,387</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>				
Contributions of capital assets	<u>\$ 167,928</u>	<u>\$ -</u>	<u>\$ 167,928</u>	<u>\$ -</u>

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

**Fayette County, Georgia**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2015**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,791,968
Taxes receivable	2,814,906
Total assets	\$ 8,606,874
 <b>LIABILITIES</b>	
Due to others	\$ 8,156,123
Tax protest / bankruptcy / tax sale	450,751
Total liabilities	\$ 8,606,874

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



*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

## **NOTES TO THE FINANCIAL STATEMENTS**

**Fayette County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2015**

NOTE INDEX

- I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
  - A. Reporting Entity
  - B. Government-Wide and Fund Financial Statements
  - C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
  - D. Overview of Accounting Structure and Fund Purposes
  - E. Assets, Liabilities and Equity
  
- II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
  - A. Budgetary Information
  - B. Debt Service and Sinking Fund Requirements on Water Revenue Bonds
  
- III. DETAILED NOTES ON ALL FUNDS
  - A. Cash, Cash Equivalents and Investments
  - B. Receivables
  - C. Capital Assets
  - D. Interfund Receivables, Payables and Transfers
  - E. Closure and Postclosure Care Cost
  - F. Long-Term Obligations
  - G. Fund Balance Classifications
  
- IV. OTHER INFORMATION
  - A. Risk Management
  - B. Other Post Employment Benefits (OPEB)
  - C. Employees' Pension Plans
  - D. Defined Contribution Plan
  - E. Other Pension Plans
  - F. Contingent Liabilities
  - G. Joint Venture
  - H. Capital Contributions
  - I. General Fund Fund Balance – Committed and Assigned Designations
  - J. Prior Period Adjustments

**Fayette County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE I. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Fayette County, Georgia (the “County” or the “Government”) 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 Board of Commissioners – County 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.

The financial statements of Fayette County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accompanying financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the County’s operations, and their financial information is aggregated and presented as a component of the appropriate County’s operations. Each discretely presented component unit is reported in a separate column in the Government-Wide Statements (see note below for description) to emphasize that it is legally separate from the County. In terms of the consistency of the financial information being reported, each of the component units also has a fiscal year ending June 30.

*Blended Component Unit.* 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 financial statements as if it were part of the primary government because it serves as a financial conduit for debt issued to construct and/or maintain public buildings and related projects. The financial activity of this Authority is reported within the General Capital Projects Fund, a nonmajor governmental fund. Bond payments are paid from the general fund. No separate financial statements are issued by the Fayette County Public Facilities Authority.

*Discretely Presented Component Units.* 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 Development Authority’s governing board to staggered terms. The Development 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 Development 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 Department of Public Health'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  
200 Courthouse Square  
Fayetteville, Georgia 30214

Fayette County Department of Public Health  
140 Stonewall Avenue, W., Suite 107  
Fayetteville, Georgia 30214

## **B. Government-Wide and Fund Financial Statements**

The Government-Wide Financial Statements (i.e., the "Statement of Net Position" and the "Statement of Activities") report information on all of the nonfiduciary activities of the primary government and its component units. In these Statements, *Governmental Activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *Business-Type Activities*, which rely to a significant extent on fees and charges for support. Likewise in terms of presentation, the *Primary Government* (i.e., County and its blended component unit) is reported separately from certain legally separate *Component Units* (i.e., the Discretely Presented Component Units), for which the Primary Government is financially accountable.

The Statement of Activities demonstrates the degree to which the *Direct Expenses* of a given function or segment is offset by *Program Revenues*. *Direct Expenses* represent those expenses that are clearly identifiable with a specific function or segment of operations. *Program Revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among Program Revenues are reported instead as *General Revenues*.

Separate financial statements are provided for the Governmental Funds, Proprietary Funds, and Fiduciary Funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. These statements display information about major funds individually and non-major funds in the aggregate. 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.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and 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.

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. In these statements, revenues are recognized when susceptible to accrual (i.e., when they are considered to be both “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible with the current period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, Fayette County considers all revenues to be available if they are collected with 60 days after year-end. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early termination benefits, other postemployment benefits, and claims and judgments, are recorded only when payment is due and the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest are associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the State of Georgia Department of Revenue at year-end on behalf of the County are also recognized as revenue. 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. All other revenue items are considered to be measurable and available only when cash is received by the County and are recognized as revenue at that time.

In terms of understanding the information being presented on the various financial statements, there are some important differences to consider. For example, amounts paid to acquire or construct capital assets are capitalized as *Assets* in the Government-Wide Financial Statements; however, these amounts are reported as an *Expenditure* in the Governmental Fund Financial Statements. Proceeds of long-term debt are recorded as *Liabilities* in the Government-Wide Financial Statements but they are reported as an *Other Financing Source* in the Governmental Fund Financial Statements. Also, amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of *Liabilities* in the Government-Wide Financial Statements but as a *Debt Service Expenditure* in the Governmental Fund Financial Statements.

The Government reports the following Major Governmental Funds:

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

The *Fire Services Tax District Special Revenue Fund* is used to account for those expenditures incurred to provide fire protection services to those citizens and businesses in the County not being served by the Peachtree City or Fayetteville Fire Departments. Revenues to fund this public safety activity are derived principally from a separate tax levy on those property owners located in the Fire Services Special Tax District.

The *Emergency Medical Services (EMS) Tax District Special Revenue Fund* is used to account for those expenditures incurred to provide emergency medical services to those citizens and businesses in the County not being served by the Peachtree City Emergency Medical Services Department. A portion of the revenues used to fund this public safety activity are derived from a separate tax levy on those property owners located in the EMS Special Tax District. Ambulance transport fees are also dedicated sources of revenue for the provision of this service.

The *County-Wide Roads SPLOST Capital Projects Fund* is used to account for a segment of the revenues and expenditures associated with the 1% Special Purpose Local Option Sales Tax (SPLOST) passed by voter referendum on November 2, 2004 for the construction of roads, streets, and bridges. This Capital Projects Fund is used to record the financial activity from 70% of the SPLOST proceeds that were earmarked for projects considered to provide a county-wide benefit.

The Government reports the following Major Proprietary Fund:

The *Water System Fund* accounts for the activities of the County's water system operations. The Water System provides potable water services to 29,263 customers in the unincorporated County and in Peachtree City, Tyrone, Woolsey and Brooks.

Additionally, the government reports the following fund types:

*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, Dental and Vision, Major Medical Self-Insurance Funds, and a Vehicle Replacement Fund.

*Fiduciary Fund* reporting focuses on net position. The County's fiduciary funds include agency funds. Agency funds represent the activities of the Tax Commissioner, Sheriff's Office, Superior Court, State Court, Magistrate Court, Juvenile Court and Probate Court.

As a general rule, the effect of interfund activity has been eliminated from the Government-Wide Financial Statements. Exceptions to this general rule are charges between the Government's Water System, the Stormwater Utility function and various other functions of the Government. Elimination of these charges would distort the *Direct Expenses* and *Program Revenues* reported for the various functions concerned.

Amounts reported as *Program Revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *General Revenues* rather than as *Program Revenues*. Likewise, *General Revenues* include all taxes.

Proprietary Funds distinguish *operating revenues* and *operating 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 Water System Enterprise Fund, the Solid Waste Enterprise Fund, the Stormwater Utility Enterprise Fund and the Internal Service Funds are charges to customers for sales and services. The Water System Enterprise Fund also recognizes as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the distribution system. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### **D. Overview of Accounting Structure and Fund Purposes**

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

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.

*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. The Water System, Solid Waste and Stormwater Utility Funds are examples of this type of fund and represent business-type activities.

*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. 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's Office:	To account for the collection and remittance of fines, costs, and bond forfeitures to the County.
Superior Court:	To account for the collection of charges for Superior Court costs, filings and settlements and the subsequent remittance to the applicable parties.
State Court:	To account for the collection of charges for the State Court costs, filings and settlements and the subsequent remittance to the applicable parties.
Magistrate Court:	To account for the collection of charges for Magistrate Court costs, filings, and settlements and the subsequent remittance to the applicable parties.
Juvenile Court:	To account for the collections of Juvenile Court fines and settlements and subsequent remittance to the applicable parties.
Probate Court:	To account for the collections of Probate Court fines and settlements and the subsequent remittance to the applicable parties.

## **E. Assets, Liabilities and Equity**

### **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 "AA" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. Government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

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.

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the State Treasurer of the State of Georgia. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The pool'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. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a \$1.00 per share. Due to the nature of the accounts, no amounts in this fund are categorized from an investment risk perspective.

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.

## 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, as reported in the Fund Financial Statements, 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 uncollectibles. The allowance for uncollectibles on receivable balances represent an estimate based on historical collection rates and account balance aging reports.

Property taxes were levied and billed on September 15, 2014. The billings are considered due upon receipt; however, the actual due date is based on a period ending 75 days after the tax bill mailing. On November 15, 2014, 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, 2015, 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, are classified as "Unavailable Revenue" on the Governmental Fund Statements.

At year-end, the Water System had approximately \$904,000 in billed customer receivables. In addition, a receivable of \$760,700 was recorded for services rendered at year-end but not yet billed at June 30, 2015. 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. Accounts receivable is shown net of an allowance for uncollectibles of \$125,000.

The Stormwater Utility had approximately \$267,500 in receivables for stormwater services at June 30, 2015. Customers are billed one time annually for stormwater services provided on a calendar year basis. The Stormwater Utility has an allowance for uncollectibles in the amount of \$8,190.

### 3. Inventories and Prepaid Items

Inventories in the Water System enterprise fund are valued at cost, which approximates market value using the first-in, first-out (FIFO) method. Inventories primarily consist of meters, and pipe and fittings intended for use in construction of line extensions and to support the maintenance work on the system. Inventories of Governmental Funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-Wide and Proprietary Fund Financial Statements. Prepaid Items are recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, prepaid items are recorded as expenditures when purchased.

### 4. Restricted Assets

*Primary Government:* In the Vehicle Replacement Internal Service Fund which is included in the Governmental Activities on the Government-Wide Statements, the unused proceeds of the certificates of participation are classified as restricted assets on the Statement of Net Position because their use is limited pursuant to an agreement with the Georgia Municipal Association. These monies are to be used to pay off the outstanding obligation when it becomes due.

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 Position 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 construction. 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.

*Component Unit – Development Authority:* As part of the bond issue for the Cooper 1996 bond series, a special covenant provided for the payment by Cooper of ad valorem property taxes on the building and other assets acquired with the bond proceeds. Over a ten-year period, Cooper will remit

payments to the Development Authority in amounts sufficient to pay current year taxes. The escrowed payments received and the investment earnings thereon will be approximately equal to the future taxes that would be paid under current property tax rates. Funds held in escrow for the payment of future years' taxes were \$640,057 at the end of the fiscal year.

5. Capital Assets

*Primary Government:* Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, distribution lines, and similar items), are reported in the applicable Governmental or Business-Type Activities column of the Government-Wide Financial Statements. 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. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The County has retroactively reported major general infrastructure assets. In this case, the government chose to include all items regardless of their acquisition date. The County engaged a consultant who was able to estimate historical cost for the initial reporting of these assets through backtrending. The Government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction and acquisition of infrastructure assets are capitalized and reported in the Government-Wide Financial Statements regardless of their amount.

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.

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

<u>Asset Classification</u>	<u>Years</u>
Buildings and structures	40
Infrastructure	15 - 40
Improvements	10
Machinery and equipment	
Computer equipment	5
Office equipment	5
Vehicles	7 - 15

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes result in a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of*

*resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The County has two items that qualify for reporting in this category. The deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The County also has deferred outflows of resources relate to the County's pension plan. See Note IV. C.

In addition to liabilities, the Statement of Net Position will sometimes present a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category. The County has deferred inflows of resources relate to the County's pension plan. See Note IV. C. In addition to liabilities, the Balance Sheet reports a separate section for deferred inflows of resources. The County has one item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reporting only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### 7. 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 may elect to be paid at the rate of \$15 for each day of unused sick leave up to a maximum of \$900. For other employees, the balance is treated as credited service for the defined benefit pension plan.

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 has matured and is reimbursable to an employee is reported as an expenditure and a fund liability of the Governmental Funds that are responsible for payment.

#### 8. Long-Term Obligations

In the Government-Wide Financial Statements, and Proprietary Fund Types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-Type Activities, or Proprietary Fund Type Statement of

Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund Financial Statements, Governmental Fund Types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as an Other Financing Source. Premiums received on debt issuances are reported as an Other Financing Source while discounts on debt issuances are reported as an Other Financing Use. Issuance costs, even if withheld from the actual debt proceeds received, are reported as Debt Service expenditures.

#### 9. Pensions

The County sponsors the Association County Commissioners of Georgia (ACCG) Restated Pension Plan for Fayette County Employees (The Plan). The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current marked prices. The trust fund is invested approximately, in 70% equities and 30% fixed income securities on a cost basis.

#### 10. Fund Equity: Fund Balance and Net Position

Fund equity at the Governmental Fund financial reporting level is classified as "Fund Balance". Fund equity for all other reporting is classified as "Net Position".

*Fund Balance:* Generally, "Fund Balance" represents the difference between the assets and liabilities reported under the current financial resources measurement focus of accounting. In the Fund Financial Statements, Governmental Funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

Fund Balances are classified as follows:

- **Nonspendable** – Fund Balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items, such as inventory or prepaid insurance, that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund Balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund Balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal vote (resolution) of the County Commission. Only the County Commission may modify or rescind the commitment.

- **Assigned** – Fund Balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted or committed. Again, the Board of Commissioners is solely responsible for assigning fund balance through formal actions that it takes.
- **Unassigned** – Fund Balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports an unassigned fund balance only in the General Fund.

*Fund Balance Flow Assumptions:* When both restricted and unrestricted amounts of Fund Balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of Fund Balance, it is the County’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, and then (3) Unassigned.

*Net Position:* As noted previously, equity for the Government-Wide and Proprietary Fund Financial Statements is classified as Net Position. On the aforementioned financial statements, the Net Position category is displayed utilizing the following three components:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, capital leases, certificates of participation or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of the component. Instead, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted Net Position** – This component of net position consists of those net position that have constraints placed on them through external restrictions by creditors (e.g., debt covenants), grantors, contributors, or laws, or regulations of other governments. This component would also include constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This component of net position consists of the net position that does not meet the definition of “invested in capital assets, net of related debt” or “restricted”. Generally, these net position represent those financial resources that are available to the County to meet any future obligations that arise.

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

## 11. Use of Estimates

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

## **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 and special revenue funds.
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 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 of the General Fund outstanding at year end are reported as one component of Assigned Fund Balance. Encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances lapse at year-end and are reappropriated as part of the ensuing year’s budget.

Formal budget integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. 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.

## **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, 2015, \$6,084,895 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 amount equal to \$5,655,863 by April 1, 2017. The debt reserve balance at June 30, 2015 is \$5,349,402, the sinking fund balances are \$3,457,885, for a debt service total of \$8,807,287, 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 funds 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); and
- 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 in the current sinking fund year. This ratio is computed annually. For the year ended June 30, 2015, the County was in compliance with this requirement.

**NOTE III. – DETAILED NOTES ON ALL FUNDS**

**A. Cash, Cash Equivalents and Investments**

1. Summary of Cash, Cash Equivalents and Investments

A summary of cash, cash equivalents and investments for Fayette County, Georgia as of June 30, 2015 is detailed in the following tabular information:

**Balances per Statement of Net Position:**

Unrestricted

Cash and cash equivalents - Primary Government	\$ 34,307,287
Cash and cash equivalents - Development Authority	270,224
Cash and cash equivalents - Public Health	639,363
Investments - Primary Government	61,606,073
Investments - Public Health	679,390

Restricted:

Cash and cash equivalents - Primary Government	22,717,384
Cash and cash equivalents - Development Authority	640,057

**Balances per Statement of Fiduciary Assets and Liabilities:**

Cash - Agency Funds	5,791,968
Total cash, cash equivalents and investments	<u>\$ 126,651,746</u>

In the following table, those cash, cash equivalents and investments are summarized by general custodial classification:

	Primary Government	Agency Funds	Development Authority	Public Health Funds	Total by Classification
Cash and cash equivalents:					
Cash on hand	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
Cash held by fiscal agent	189,605	-	-	-	189,605
Demand deposits at financial institutions	32,746,603	5,791,968	910,281	639,363	40,088,215
Georgia Fund 1 Investment Pool	24,086,463	-	-	-	24,086,463
Total cash and cash equivalents	57,024,671	5,791,968	910,281	639,363	64,366,283
Investments:					
Certificates of Deposit	-	-	-	679,390	679,390
BNY Mellon Investments	61,606,073	-	-	-	61,606,073
	<u>\$ 118,630,744</u>	<u>\$ 5,791,968</u>	<u>\$ 910,281</u>	<u>\$ 1,318,753</u>	<u>\$ 126,651,746</u>

## 2. Demand Deposits at Financial Institutions

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

*Primary Government and Agency Funds:* At June 30, 2015, the carrying amount of the Primary Government's demand deposits was \$32,746,603 and the bank balances totaled \$37,551,334. The Agency Funds' accounts had a carrying value of \$5,791,968 and a bank balance of \$5,816,342. 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. 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.

*Component Unit – Development Authority:* At year end, the carrying amount of the Authority's deposits was \$910,281, which includes \$640,057 on deposit with a broker, and the bank balance was \$972,375. The broker account is covered in accordance with provisions of the Securities Investor Protection Corporation. All of the bank balance was either covered by federal depository insurance or covered by collateral held in the pledging bank's trust department or by its agent in the Development Authority's name.

*Component Unit – Public Health:* At June 30, 2015, the Public Health Department's cash deposits were entirely covered by federal depository insurance and collateral held by the custodial bank in the Department of Public Health's name.

### 3. Investments

**Credit Risk:** Credit risk for investments is the risk that an issuer or other counterparty will not fulfill its obligations. State statutes authorize the County to invest in obligations of the State of Georgia or of other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government Agency; obligations of any corporation of the U.S. Government; repurchase agreements backed by the U.S. Government or a 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; the Local Government Investment Pool (LGIP); obligations of Other Political Subdivisions of the State of Georgia; and time deposits and savings deposits of banks organized under the laws of Georgia or the U.S. Government and operating in Georgia.

The County's investment policy permits the investment of County funds in the Georgia Fund 1, 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.

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.

As a means of reducing the risk associated with counterparties, the County utilizes the State Investment Pool for the majority of its short-term investment needs. 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 money 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 the State Treasurer 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.

**Concentration of Credit Risk:** An additional dimension of credit risk relates to the amount of investment in any one entity. The greater the reliance on a single investment vehicle or issuer, the greater the concentration of the associated risk becomes for the portfolio. However with that said, the County does not consider having a large percentage of U.S. Government issued or backed investments in the portfolio as increasing its investment risks because of the financial stability of the issuer.

To minimize this component of 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 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 50%
- Obligations of other political subdivisions of the State of Georgia 25%

**Custodial Credit Risk:** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no specific investment policy in regards to custodial credit risk for investments.

However as part of the County's investment program, a large percentage of the investment portfolio is held by the State of Georgia (i.e., Georgia Fund 1). In addition, 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.

**Interest Rate Risk:** Interest rate risk arises from investments in debt instruments and represents the risk that changes in the interest rate will adversely affect the fair value of an investment. For example, the amount of the loss in the fair value of a fixed-income security increase as the current market interest rate related to the investment rises.

The County employs multiple investment duration and investment management strategies which seek to minimize the County's portfolio interest rate risk. 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.

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 utilizes an external investment manager to actively manage a portion of its investment portfolio. 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, 2015, all assets within the externally managed portfolios are rated AA or better.

As indicated in the earlier tabular information, investment cash equivalents comprised \$24,086,463 or about 28.11% of the total investment balance of \$85,692,536 at year end. These cash equivalents, which are shown in the table below, represented monies deposited into the State Investment Pool which is essentially a money market account with one day's liquidity. With the ability to quickly access these funds should the need arise, the County feels that it has sufficient flexibility to address interest rate risk should the rates suddenly rise since there would be no real exigency to sell any of the longer term investments prior to their actual maturities.

Cash Equivalents:	<u>FAIR VALUE</u>	<u>MATURITIES</u>
Georgia Fund 1 Investment Pool	<u>\$24,086,463</u>	56 Day Weighted Average

At June 30, 2015, the County had \$61,606,073 in investments that are not considered cash equivalents by the County because of their longer maturity dates and the fact that these monies are invested over the long-term for the County by an external money manager. As a necessary component of this portfolio due to the frequency and timing of investment activities, there is a need to maintain a portion of the balance in a short-term, highly liquid form. In keeping with those liquidity needs, there was \$845,823 deposited in the Fidelity Institutional Treasury Portfolio Money Market Fund at June 30, 2015.

The chart below presents the fair value for each security type and maturity distribution for the investments, other than the aforementioned money market position, totaling \$60,760,250 as of June 30, 2015.

Type of Investment	Rating	Investment Maturities (in Years)				Fair Value
		Less than 1	1-5 Years	6-10 Years	More than 10	
US Treasuries	Aaa	\$ 11,259,570	\$ 22,159,262	\$ -	\$ -	\$ 33,418,832
Federal Agencies	NR	395,088	5,987,567	-	-	6,382,655
Other Securities	Aaa	4,908,505	11,572,545	-	-	16,481,050
Other Securities	Aa2	-	229,855	-	-	229,855
Other Securities	NR	1,754,487	1,369,892	1,123,479	-	4,247,858
		<u>\$ 18,317,650</u>	<u>\$ 41,319,121</u>	<u>\$ 1,123,479</u>	<u>\$ -</u>	<u>\$ 60,760,250</u>

The Fayette County Department of Public Health has investments consisting of certificates of deposit. As of June 30, 2015, the Health Department's cash deposits and investments were entirely covered by federal depository insurance and collateral held in the Health Department's custodial bank in the Health Department's name.

## B. Receivables

Receivables as of year-end for the Government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Fire Services	Emergency Medical Services	Non-Major Governmental Funds	Water System	Non-Major Enterprise Funds	Totals
Receivables:							
Property taxes	\$ 496,813	\$127,465	\$ 30,974	\$ 15,339	\$ -	\$ -	\$ 670,591
Sales taxes	911,351	-	-	-	-	-	911,351
Interest	2,273	-	-	-	-	15	2,288
Intergovernmental	27,588	-	-	-	-	-	27,588
Accounts	<u>1,064,068</u>	<u>57,233</u>	<u>666,372</u>	<u>632,444</u>	<u>1,664,349</u>	<u>282,545</u>	<u>4,367,011</u>
Gross receivables	2,502,093	184,698	697,346	647,783	1,664,349	282,560	5,978,829
Less: Allowance for uncollectibles	<u>(281,213)</u>	<u>(64,184)</u>	<u>(108,329)</u>	<u>(5,713)</u>	<u>(125,000)</u>	<u>(8,190)</u>	<u>(592,629)</u>
Net total receivables	<u>\$2,220,880</u>	<u>\$120,514</u>	<u>\$ 589,017</u>	<u>\$ 642,070</u>	<u>\$1,539,349</u>	<u>\$ 274,370</u>	<u>\$5,386,200</u>

## C. Capital Assets

Capital assets for the Primary Government for the fiscal year ended June 30, 2015, are shown in the following tabulations. The first table contains a breakdown of the capital assets utilized in the operations of governmental activities by general asset classification and the associated accumulated depreciation. The tabular information also shows the activity that occurred with each asset class during the 2015 fiscal year.

	Beginning Balances (as restated)	Increases	Decreases	Ending Balances
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 11,667,258	\$ 996,783	\$ -	\$ 12,664,041
Construction in progress	16,485,954	6,041,459	(4,842,890)	17,684,523
Total capital assets, not being depreciated	<u>28,153,212</u>	<u>7,038,242</u>	<u>(4,842,890)</u>	<u>30,348,564</u>
Capital assets being depreciated:				
Buildings and structures	74,732,528	3,827,970	(46,500)	78,513,998
Infrastructure	311,460,175	341,215	-	311,801,390
Improvements	9,732,655	270,517	-	10,003,172
Machinery and equipment	20,771,244	1,473,221	(2,592,177)	19,652,288
Vehicles	12,284,006	592,324	(622,627)	12,253,703
Total capital assets being depreciated	<u>428,980,608</u>	<u>6,505,247</u>	<u>(3,261,304)</u>	<u>432,224,551</u>
Less accumulated depreciation for:				
Buildings and structures	(27,530,149)	(2,174,120)	41,365	(29,662,904)
Infrastructure	(276,035,927)	(3,741,368)	-	(279,777,295)
Improvements	(4,365,426)	(389,992)	-	(4,755,418)
Machinery and equipment	(16,900,522)	(813,624)	1,491,734	(16,222,412)
Vehicles	(10,320,226)	(647,181)	613,735	(10,353,672)
Total accumulated depreciation	<u>(335,152,250)</u>	<u>(7,766,285)</u>	<u>2,146,834</u>	<u>(340,771,701)</u>
Total capital assets being depreciated, net	<u>93,828,358</u>	<u>(1,261,038)</u>	<u>(1,114,470)</u>	<u>91,452,850</u>
Governmental activities capital assets, net	<u>\$ 121,981,570</u>	<u>\$ 5,777,204</u>	<u>\$ (5,957,360)</u>	<u>\$ 121,801,414</u>

The following table shows the same type of information for those capital assets utilized by the Business-Type Activities.

<b>Business-Type Activities</b>	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Capital assets, not being depreciated:				
Land	\$ 20,210,721	\$ 389,081	\$ -	\$ 20,599,802
Construction in progress	3,174,072	3,307,458	(3,232,143)	3,249,387
Total capital assets, not being depreciated	<u>23,384,793</u>	<u>3,696,539</u>	<u>(3,232,143)</u>	<u>23,849,189</u>
Capital assets being depreciated:				
Buildings and structures	57,793,165	845,667	(1,434)	58,637,398
Infrastructure	86,688,475	875,034		87,563,509
Improvements	14,728,590	359,234		15,087,824
Machinery and equipment	10,341,213	623,765	(303,706)	10,661,272
Total capital assets being depreciated	<u>169,551,443</u>	<u>2,703,700</u>	<u>(305,140)</u>	<u>171,950,003</u>
Less accumulated depreciation for:				
Buildings and structures	(26,300,520)	(2,085,666)	1,434	(28,384,752)
Infrastructure	(39,179,368)	(2,311,770)	-	(41,491,138)
Improvements	(9,240,973)	(545,113)	-	(9,786,086)
Machinery and equipment	(8,238,116)	(385,125)	290,680	(8,332,561)
Total accumulated depreciation	<u>(82,958,977)</u>	<u>(5,327,674)</u>	<u>292,114</u>	<u>(87,994,537)</u>
Total capital assets being depreciated, net	<u>86,592,466</u>	<u>(2,623,974)</u>	<u>(13,026)</u>	<u>83,955,466</u>
Business-type activities capital assets, net	<u>\$ 109,977,259</u>	<u>\$ 1,072,565</u>	<u>\$ (3,245,169)</u>	<u>\$ 107,804,655</u>

Depreciation expense was charged to functions/ programs of the Primary Government as follows:

**Governmental Activities:**

General Government	\$540,786
Judicial System	958,224
Public Safety	1,643,232
Public Works	4,113,679
Health and Welfare	3,751
Culture and Recreation	495,079
Housing and Development	<u>11,534</u>
Total depreciation expense – Governmental Activities	<u>\$7,766,285</u>

**Business-Type Activities:**

Water System	\$5,311,187
Solid Waste	16,487
Stormwater Utility	<u>-</u>
Total depreciation expense – Business-Type Activities	<u>\$5,327,674</u>

The component units' capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning			Ending
<b>Fayette County Development Authority</b>	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 78,895	\$ 3,532	\$ (2,315)	\$ 80,112
Leasehold improvements	<u>261,931</u>	<u>-</u>	<u>-</u>	<u>261,931</u>
Total capital assets being depreciated	<u>340,826</u>	<u>3,532</u>	<u>(2,315)</u>	<u>342,043</u>
Less accumulated depreciation for:				
Furniture and equipment	(67,205)	(3,790)	1,673	(69,322)
Leasehold improvements	<u>(93,563)</u>	<u>(6,729)</u>	<u>-</u>	<u>(100,292)</u>
Total accumulated depreciation	<u>(160,768)</u>	<u>(10,519)</u>	<u>1,673</u>	<u>(169,614)</u>
Fayette County Development Authority -				
Capital assets, net	<u>\$ 180,058</u>	<u>\$ (6,987)</u>	<u>\$ (642)</u>	<u>\$ 172,429</u>
	Ending			Ending
<b>Fayette County Department of Public Health</b>	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Capital assets being depreciated:				
Machinery and equipment	\$ 195,587	\$ 16,391	\$ -	\$ 211,978
Less accumulated depreciation for:				
Machinery and equipment	<u>(176,176)</u>	<u>(5,058)</u>	<u>-</u>	<u>(181,234)</u>
Fayette County Development Authority -				
Capital assets, net	<u>\$ 19,411</u>	<u>\$ 11,333</u>	<u>\$ -</u>	<u>\$ 30,744</u>

**D. Interfund Receivables, Payables and Transfers**

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues. There were no interfund receivables or payables at June 30, 2015.

Interfund transfers for the fiscal year ended June 30, 2015 are shown in the following table:

Transfers out:	Transfers in:						Total
	General Fund	Fire Fund	Emergency Medical Services Fund	Non-Major Governmental Funds	Non-Major Proprietary Funds	Internal Service Funds	
Capital improvement projects:							
General fund	\$ -	\$ 146,858	\$ 45,935	\$ 3,638,794	\$ -	\$ -	\$ 3,831,587
Fire fund	-	-	-	225,987	-	-	225,987
Emergency Medical Services Fund	-	-	-	10,200	-	-	10,200
Non-Major governmental funds	258,065	42,225	-	1,119,028	347,083	-	1,766,401
Vehicle replacement:							
General fund	-	-	-	-	-	530,000	530,000
Fire fund	-	-	-	-	-	250,000	250,000
Emergence Management Services	-	-	-	-	-	115,000	115,000
Non-Major governmental funds	-	-	-	-	-	6,627	6,627
<b>Total</b>	<b>\$ 258,065</b>	<b>\$ 189,083</b>	<b>\$ 45,935</b>	<b>\$ 4,994,009</b>	<b>\$ 347,083</b>	<b>\$ 901,627</b>	<b>\$ 6,735,802</b>

Interfund transfers are made for several reasons during the course of each fiscal year. First, transfers are made to move revenues from the fund with collection authorization to the Capital Projects Funds where the accounting for these construction projects occurs. Likewise, transfers are made from the Capital Projects Funds back to the original transferring fund for any monies not spent on the project. Second, transfers are made to move funds to the Vehicle Replacement Internal Service Fund for the purchase of vehicles and equipment. And lastly, transfers are made to move unrestricted General Fund revenues to finance various programs that the County must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**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, 2015 the closure and postclosure care liability account had a

zero balance. The Georgia Department of Natural Resources Environmental Protection Division provides estimates of the cost and there is a potential for change due to inflation, deflation, technology, or applicable laws or regulations.

## **F. Long-Term Obligations**

General Obligation (G.O.) Bonds: Periodically, the County issues general obligation bonds to provide funds for the acquisition and construction of major general government capital facilities. General obligation 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: As certain construction needs arise that cannot be paid for out of existing cash reserves, the County issues revenue bonds to raise the necessary monies to fund those capital projects. With revenue bonds, the government pledges income derived from the acquired asset to pay debt service. The various bond indentures may contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. Management believes the County is in compliance with all such significant financial limitations and restrictions.

### **1. Water Revenue Bonds**

The Water System (the "System") has pledged future water customer revenues, net of specified operating expenses, to repay \$48.5 million in revenue bonds. Proceeds from the outstanding bonds provided financing for various construction projects and the refunding of prior bonds. These bonds are payable solely from the System's customer net revenues and have varying maturity dates through 2030.

As a general rule, annual principal and interest payments on the bonds have been scheduled so that total debt service amount is fairly consistent from one year to the next. By design, the total annual debt service payment is in the range of \$5.5 million for the next several years. The total principal and interest remaining to be paid on the bonds is \$62,707,501. Principal and interest paid on outstanding bonds in the current year was \$5,583,888 and "net revenues" as defined by the bond ordinance were \$7,265,657.

#### **a) Series 1996A Water Revenue Bonds**

In January 1997, the County issued \$10,245,000 in Series 1996A Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$25,000 to \$920,000 with the longest maturity being twenty-four years (i.e., October 1, 2020) from the date of issuance. Interest rates for the various maturities ranged from 3.6% to 5.5%. After redeeming the \$25,000 in bonds that mature on October 1, 2015, there will remain a balance of \$165,000 outstanding on this series.

The Series 1996A Bonds were issued for the purpose of refunding the outstanding Series 1986 Bonds and constructing a water tank on Highway 92 North.

b) Series 2009 Water Revenue Bonds

In August 2009, the County issued \$36,340,000 in Series 2009 Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$85,000 to \$4,415,000 with the longest maturity being roughly twenty years (i.e., October 1, 2029) from the date of issuance. Interest rates for the various maturities ranged from 2.0% to 5.0%. After redeeming the \$1,715,000 in bonds that mature on October 1, 2015, there will remain a balance of \$26,055,000 outstanding on this series.

The Series 2009 Bonds were issued for the purpose of refunding the Series 1998 Revenue Bonds, paying off seven loans from the Georgia Environmental Facilities Authority (GEFA) and providing additional funding for the Lake McIntosh Reservoir Project.

c) Series 2012A Water Revenue Bonds

In April 2012, the County issued \$8,070,000 in Series 2012A Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$100,000 to \$3,660,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2025) from the date of issuance. Interest rates for the various maturities ranged from 3.0% to 5.0%. After redeeming the \$50,000 in bonds that mature on October 1, 2015, there will remain a balance of \$8,020,000 outstanding on this series. The Series 2012A Bonds were issued for the purpose of providing funding for the Crosstown Water Treatment Plant Upgrades, the South Fayette Water Treatment Plant Upgrades and the associated engineering and program management costs.

d) Series 2012B Water Revenue Refunding Bonds

In July 2012, the County issued \$15,590,000 in Series 2012B Water Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranged from \$45,000 to \$2,015,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2025) from the date of issuance. Interest rates for the various maturities ranged from 3.0% to 5.0%. After redeeming the \$1,615,000 in bonds that mature on October 1, 2015, there will remain a balance of \$10,880,000 outstanding on this series. The Series 2012B Bonds were issued for the purpose of refunding the Series 2002 Bond.

e) Schedule of Revenue Bond Activity

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2015:

Revenue Bond Issues	Balance	Additions	Reductions	Balance	Current
	July 1, 2014			June 30, 2015	Portion
Series 1996A	\$ 220,000	\$ -	\$ 30,000	\$ 190,000	\$ 25,000
Series 2009	29,545,000	-	1,775,000	27,770,000	1,715,000
Series 2012A	8,070,000	-	-	8,070,000	50,000
Series 2012B	14,060,000	-	1,565,000	12,495,000	1,615,000
Total revenue bonds	51,895,000	-	3,370,000	48,525,000	\$ 3,405,000
<u>Plus Deferred Amounts for:</u>					
Bond discounts /					
Premiums (net)	3,922,664	-	300,296	3,622,368	
Net revenue bonds	\$ 55,817,664	\$ -	\$ 3,670,296	\$ 52,147,368	

f) Schedule of Future Debt Service Payments

At June 30, 2015, 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
2016	\$ 3,405,000	\$ 2,094,625	\$ 5,499,625
2017	3,505,000	1,965,088	5,470,088
2018	3,675,000	1,817,825	5,492,825
2019	3,705,000	1,661,850	5,366,850
2020	3,960,000	1,484,475	5,444,475
2021-2025	22,470,000	4,428,191	26,898,191
2026-2030	7,805,000	730,447	8,535,447
	<u>\$ 48,525,000</u>	<u>\$ 14,182,501</u>	<u>\$ 62,707,501</u>

2. Public Facilities Authority Revenue Bonds

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. Concurrently, the County signed a contractual agreement with the Public Facilities Authority to lease purchase the Criminal Justice Center with the annual lease payments being equal to the amount of the annual debt service payments on the bonds. 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.

a) Series 2011 Public Facilities Authority Revenue Bonds

In April 2011, the Fayette County Public Facilities Authority issued \$40,300,000 of Series 2011 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. The refunding of the Series 2001 bonds reduced the total debt service payments by almost \$6.8 million and resulted in an economic gain of more than \$3.3 million.

b) Schedule of Revenue Bond Activity

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2015:

	Balance			Balance	Current
Revenue Bond Issues	July 1, 2014	Additions	Reductions	June 30, 2015	Portion
Series 2011	\$ 36,970,000	\$ -	\$ 1,710,000	\$ 35,260,000	\$ 1,785,000
<u>Plus Deferred Amounts for:</u>					
Bond discounts / premiums (net)	1,271,004	-	79,449	1,191,555	-
Net revenue bonds	<u>\$ 38,241,004</u>	<u>\$ -</u>	<u>\$ 1,789,449</u>	<u>\$ 36,451,555</u>	<u>\$ 1,785,000</u>

c) Schedule of Future Debt Service Payments

At June 30, 2015, the County was obligated to make payments of principal and interest on the outstanding Series 2011 Fayette County Public Facilities Authority revenue bond debt as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 1,785,000	\$ 1,477,306	\$ 3,262,306
2017	1,835,000	1,423,756	3,258,756
2018	1,890,000	1,368,706	3,258,706
2019	1,950,000	1,312,006	3,262,006
2020	2,025,000	1,234,006	3,259,006
2021-2025	11,515,000	4,781,500	16,296,500
2026-2030	14,260,000	2,040,782	16,300,782
	<u>\$ 35,260,000</u>	<u>\$ 13,638,062</u>	<u>\$ 48,898,062</u>

Certificates of Participation: In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (“the Association” or “GMA”). 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, the original level of participation has decreased in recent years to only \$601,000 at June 30, 2015.

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 remaining principal balance of \$869,000 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 \$41,420. 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.

*Early Termination Benefits:* In response to the rising cost of personnel and budgetary concerns over falling revenues due to a declining real property tax digest, the County completed an early retirement incentive program prior to the end of the 2012 fiscal year. To be eligible for the early termination benefit, an employee had to be at least 55 years of age and have a minimum of 20 years of service with the County. Out of the 44 employees that met the criteria, 32 chose to accept the retirement package and their employment with the County was terminated on June 30, 2012.

As an incentive to retire early, these employees receive health coverage until age 65, are credited with an additional five years of service and were given an unreduced retirement benefit due to their age. The net present value of the estimated future health coverage benefit is \$358,783 with \$90,086 due in the 2016 fiscal year. As determined by the defined benefit plan's actuary, the estimated additional pension liability associated with the early termination program was \$2,880,000. In keeping with the Board's Resolution for the program dated March 22, 2012 and its commitment to not adversely impact future operating budgets, this amount was deposited by the County into the Defined Benefit Pension Plan on October 26, 2012.

Changes in Long-Term Obligations:

The following tabular information is a reconciliation of debt disclosures presented above to amounts reported in the Statement of Net Position:

	Balance			Balance	Current
<b>Governmental Activities</b>	July 1, 2014	Additions	Reduction	June 30, 2015	Portion
Revenue bonds	\$ 36,970,000	\$ -	\$ 1,710,000	\$ 35,260,000	\$ 1,785,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	1,271,004	-	79,449	1,191,555	-
Total revenue bonds payable	38,241,004	-	1,789,449	36,451,555	1,785,000
Certificates of participation	872,000	-	271,000	601,000	-
Compensated absences	2,742,465	948,050	797,172	2,893,343	1,148,092
Early termination benefits	254,872	182,496	114,177	323,191	77,871
Other postemployment benefits (OPEB) liability	1,133,272	226,722	121,354	1,238,640	-
Governmental Activities noncurrent liabilities	<u>\$ 43,243,613</u>	<u>\$ 1,357,268</u>	<u>\$ 3,093,152</u>	<u>\$ 41,507,729</u>	<u>\$ 3,010,963</u>
<b>Business-Type Activities</b>	Balance	Additions	Reduction	Balance	Current
	July 1, 2014			June 30, 2015	Portion
Revenue bonds	\$ 51,895,000	\$ -	\$ 3,370,000	\$ 48,525,000	\$ 3,405,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	3,922,664	-	300,296	3,622,368	-
Total revenue bonds payable	55,817,664	-	3,670,296	52,147,368	3,405,000
Compensated absences	160,755	56,454	35,757	181,452	47,559
Early termination benefits	19,587	28,462	12,457	35,592	12,215
Business-Type Activities noncurrent liabilities	<u>\$ 55,998,006</u>	<u>\$ 84,916</u>	<u>\$ 3,718,510</u>	<u>\$ 52,364,412</u>	<u>\$ 3,464,774</u>

For governmental activities, certificates of participation and the arbitrage payable are being retired by the vehicle replacement fund. Capital leases have been retired by the emergency 911 fund. Compensated absences, early termination benefits, net pension obligations and other post employment obligation liabilities will be paid from the fund from which the employees' salaries are paid, generally from the general fund. Revenue bonds are generally paid from the general fund.

Changes in the Fayette County Department of Public Health's noncurrent liabilities for the year ended June 30, 2015 are as follow:

	Balance July 1, 2014	Additions	Reduction	Balance June 30, 2015	Current Portion
Compensated absences	\$ 100,170	\$ 36,888	\$ 33,152	\$ 103,906	\$ 35,639
Net pension liability	1,222,090	-	231,064	991,026	-
Total noncurrent liabilities	<u>\$ 1,322,260</u>	<u>\$ 36,888</u>	<u>\$ 264,216</u>	<u>\$ 1,094,932</u>	<u>\$ 35,639</u>

**G. Fund Balance Classifications**

The composition of the Special Programs Fund Balance Classification is as follows:

	Special Program Classification: Restricted Fund Balance				
	General Fund	Fire Services Fund	Emergency Medical Services	Non-Major Governmental Funds	Total Governmental Funds
Special Programs:					
Court Services	\$ -	\$ -	\$ -	\$ 515,074	\$ 515,074
Law Enforcement	-	2,836,135	1,711,627	1,804,421	6,352,183
Street Lights	-	-	-	139,551	139,551
Grants	-	-	-	12,027	12,027
	<u>\$ -</u>	<u>\$ 2,836,135</u>	<u>\$ 1,711,627</u>	<u>\$ 2,471,073</u>	<u>\$ 7,018,835</u>

See Note 1 for descriptions of the fund balance classifications used by the County.

**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 Fund 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.

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.

Fayette County established its Major Medical Self-Insurance Internal Service Fund in the 1991 fiscal year, and on June 1, 2002 became fully insured. In June of 2010, the County reinstated its self-insurance program for this risk.

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 total claims liability of \$364,164 reported at June 30, 2015, 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.

Changes in the balances of claims liabilities during the past two fiscal years for each of the three self-insurance programs and the total amounts are as follows:

	Unpaid Claims At Beginning Of Fiscal Year	Incurred Claims (Including Any IBNRs)	Claim Payments	Unpaid Claims At End Of Fiscal Year
<b>Workers Compensation Claims:</b>				
Fiscal Year Ended June 30, 2015	\$ 49,396	\$ 652,508	\$ 632,985	\$ 68,919
Fiscal Year Ended June 30, 2014	73,367	415,053	439,024	49,396
<b>Dental and Vision Claims</b>				
Fiscal Year Ended June 30, 2015	4,735	456,146	456,798	4,083
Fiscal Year Ended June 30, 2014	14,390	359,120	368,775	4,735
<b>Medical Claims</b>				
Fiscal Year Ended June 30, 2015	573,933	4,684,174	4,966,945	291,162
Fiscal Year Ended June 30, 2014	326,029	5,494,754	5,246,850	573,933
<b>Total Claims</b>				
Fiscal Year Ended June 30, 2015	628,064	5,792,828	6,056,728	364,164
Fiscal Year Ended June 30, 2014	413,786	6,268,927	6,054,649	628,064

## **B. Other PostEmployment Benefits (OPEB)**

*Plan Description.* 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. 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. During 2013, the Board of Commissioners discontinued the OPEB plan and only the current 28 retired employees receiving the benefit will continue to receive. Separate financial statements are not prepared for the OPEB plan.

Other retired employees have the option to pay the current employee rates amount to cover themselves, their spouse and dependents under the plan.

*Funding Policy.* At June 30, 2015, the County had 19 employees receiving medical insurance coverage under the plan. The County has not advance 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, 2015, the County paid an estimated \$121,354 for this benefit.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years. The following table shows the calculation of 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 for the fiscal year ended June 30, 2015:

Normal cost - Unit Credit Method	\$	-
Amortization of unfunded actuarial accrued liability (UAAL)		406,046
ARC		406,046
Interest on net OPEB obligation		1,809
Adjustment to annual required contribution		(181,133)
Annual OPEB cost (expense)		226,722
Contributions made		(121,354)
Increase in net OPEB obligation		105,368
Net OPEB obligation - beginning of the year		1,133,272
Net OPEB obligation - end of the year	\$	<u>1,238,640</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the Net OPEB obligation for the three most recent fiscal years are shown in the following table.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual County Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 226,722	\$ 121,354	53.53%	\$ 1,238,640
June 30, 2014	226,546	115,915	51.17%	1,133,272
June 30, 2013	226,352	105,056	46.41%	1,022,641

*Funding Status and Funding Progress.* The funded status of the Health Plan as of June 30, 2013,

Actuarial accrued liability (AAL) - Unit Credit	\$ 1,918,628
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,918,628</u>
Funded ratio (actuarial value of plan assets / AAL)	0.0%
Covered payroll	\$ -
UAAL as a percentage of covered payroll	n/a

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. GASB 45 requires that the schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of the Health Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* The basis for projections of benefits for financial reporting purposes is 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:	July 1, 2013
Actuarial cost method:	Unprojected Unit credit method
Amortization method:	Closed
Initial Amortization period:	30
Remaining amortization period:	5
Asset valuation method:	Not applicable
Actuarial assumptions:	

Investment rate of return	Not applicable
Healthcare cost trend rate	

	<u>Medical</u>	<u>Pharmacy</u>	<u>Excise Tax Threshold</u>
2014	9.00%	7.00%	0.00%
2015	8.50%	7.00%	0.00%
2016	8.00%	7.00%	0.00%
2017	7.50%	7.00%	0.00%
2018	7.00%	7.00%	4.24%

2019	6.50%	6.50%	3.24%
2020	6.00%	6.00%	3.24%
2021	5.50%	5.50%	3.24%
2022	5.00%	5.00%	3.24%

Discount rate	.1596%
Inflation Assumption	1.5% (Included in above trend rates)

### C. Employees' Pension Plans

#### Fayette County ACCG Pension Plan

In the fiscal year 2010, the County established a hybrid retirement plan for employees. The plan consists of a defined benefit and a defined contribution component. Employees are eligible for the plan if they are at least 18 years old and work a minimum of 30 hours per week. Participation in the defined benefit plan begins upon employment. Participants are vested after 5 years.

The County sponsors the Association County Commissioners of Georgia (ACCG) 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 the Government Employee Benefits Corporation (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.

Benefits vest after 5 years. Participants may retire at normal retirement, which is the later of 65, or 5 years of vesting service. Early retirement eligibility is the later of age 55 or 10 years of vesting service. The benefit is as follows:

- 1.50% of average annual compensation multiplied by years of credited service (not to exceed 30 if employment commencement date is prior to January 1, 2014).
- 1.25% of average annual compensation multiplied by years of credited service (not to exceed 30) if employment commencement date is on or after January 1, 2014.

Average annual compensation is defined as the highest average of the participant's compensation over sixty consecutive months during the ten years preceding the Participant's date of retirement or other termination if employment commencement date is prior to January 1, 2014. If the employee commencement date is on or after January 1, 2014, average annual compensation is defined as the highest average of the participant's compensation over eight-four consecutive months during the ten plan years preceding the participants date of retirement or other termination.

The following is the plan membership at January 1, 2014 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Membership	
Retirees, beneficiaries and disabled receiving benefits	52
Terminated plan participants entitled to but not yet receiving benefits	91
Active employees participating in the plan	<u>649</u>
Total	<u><u>792</u></u>

*Contributions* - 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 Board of Trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The actuarial recommended contribution based on the January 1, 2015 valuation was \$20,994.

*Net Pension Liability* – The County's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014.

The total pension liability in the January 1, 2014 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	2.0% - 4.5% based on age
Investment rate of return	7.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period of January 1, 2014 to December 31, 2014.

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

Asset class	Target allocation
Fixed income	30%
Large Cap Equities	30%
Mid Cap Equities	5%
Small Cap Equities	5%
REIT Equities	5%
International Equities	15%
Multi Cap Equities	5%
Global Allocation Equities	5%

*Discount rate* - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2013	\$ 31,819,265	\$ 37,550,226	\$ (5,730,961)
Changes for the year:			
Service cost	921,991	-	921,991
Interest	2,386,445	-	2,386,445
Differences between expected and actual experience		-	-
Contributions - County		183,425	(183,425)
Contributions - Employees		2,530,040	(2,530,040)
Net investment income		2,872,411	(2,872,411)
Benefit Payments	(1,040,539)	(1,002,929)	(37,610)
Employee Contribution Refunds		(214,263)	214,263
Administrative expense		(114,168)	114,168
Other		(197,640)	197,640
Net changes	2,267,897	4,056,876	(1,788,979)
Balance, December 31, 2014	\$ 34,087,162	\$ 41,607,102	\$ (7,519,940)

*Sensitivity of the County's proportional share of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the County, calculated using the discount rate of 7.50 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
County's Net Pension Liability (Asset)	\$ (1,811,526)	\$ (7,519,940)	\$ (12,184,993)

*Pension plan fiduciary net position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report. A copy of the plan's financial report may be obtained from:

Government Employee Benefits Corporation of Georgia  
1100 Circle 74 Parkway, Suite 300  
Atlanta, Georgia 30339

In the case of the defined contribution plan, the employee becomes eligible on the first day of the month following three months of employment. Participants are vested at 20 percent intervals over the first five years of employment.

*Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions* – For the year ended June 30, 2015, the County recognized pension expense (benefit) of (\$362,206). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Contributions made subsequent to measurement date	\$ 163,750	\$ -
	<u>                    </u>	<u>                    </u>

Fayette County Department of Public Health Pension Plan

*Plan Description* - The Employee’s Retirement System of Georgia (ERS), a cost-sharing multiple employer defined benefit pension plan, was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. The Plan is administered by the Employees' Retirement System of Georgia. The Plan is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law and the funding policy adopted by the Board. Each plan and fund, including benefit contribution provisions, was established and can be amended by state law. The Plan issues a publicly available financial report that can be obtained at [www.ers.ga.gov](http://www.ers.ga.gov)

*Benefits Provided* - The ERS Plan supports three benefits tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their memberships to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal

retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

*Contributions* – Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members’ accounts for refund purposes and are used in the computation of the members’ earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Agency’s contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2015 was 21.96% of annual covered payroll for old and new plan members and 18.87% for GSEPS members. Total employer contributions to the pension plan from the Department were \$141,321 for the year ended June 30, 2015.

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions* - At June 30, 2015 the Department reported a liability of \$991,026 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The Department's proportion of the collective net pension liability was based on the employers' shares of contributions to the pension plan relative to the total employer contributions of all participating ERS employers. At June 30, 2014, the Department's proportion was .026423%, which was an increase (decrease) of .001239% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Department recognized pension expense of \$83,644. At June 30, 2015, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
pension plan investments	-	241,879
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,000	-
Contributions made subsequent to measurement date	141,321	-
	<u>\$ 178,321</u>	<u>\$ 241,879</u>

The \$141,321 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (37,345)
2017	(46,595)
2018	(60,470)
2019	(60,469)
2020	-
Thereafter	-

Actuarial Assumptions - The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45 - 9.25%, including inflation
Investment rate of return	7.50%, net pension plan investment plan expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 -June 30, 2009.

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

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	30.00%	3.00%
Domestic large stocks	39.70%	6.50%
Domestic mid stocks	3.70%	10.00%
Domestic small stocks	1.60%	13.00%
International developed market stocks	18.90%	6.50%
International emerging market stocks	6.10%	11.00%
	<u>100.00%</u>	

*Discount Rate* - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employer's proportionate share of net pension liability	<u>\$ 1,445,112</u>	<u>\$ 991,026</u>	<u>\$ 604,492</u>

*Pension Plan Fiduciary Net Position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS Comprehensive Annual Report for the fiscal year ended June 30, 2014. The supporting actuarial information is included in the GASB Statement No. 67 Report for the ERS prepared as of June 30, 2014. The auditor's report dated October 31, 2014 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2014, along with supporting schedules is also available. The additional financial and actuarial information is available at [www.ers.ga.gov](http://www.ers.ga.gov).

#### **D. Defined Contribution Plan**

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 \$1,503,399 to the defined contribution plan and the County contributed \$572,545 in matching funds. The Board of Commissioners establishes matching percentages.

#### **E. Other Pension Plans**

##### ***Employee's Retirement System of Georgia***

Certain employees of the Tax Commissioner's office are covered by The Employee's Retirement System of Georgia (ERS). ERS was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. ERS issues a publicly available financial report that can be obtained at <http://www.ers.ga.gov/plans/ers/ersforms.html>.

The State of Georgia makes contributions to ERS for its employees and also on behalf of local county employers. Therefore, the County is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity in ERS. Since the County does not contribute directly to ERS, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. However, the notes to the financial statements must disclose the portion of the County's total proportionate share of the collective net pension liability (asset) that is associated with the County. In addition, the County must recognize the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County.

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.018056%. The County's proportionate share of the net pension liability as of June 30, 2015 was \$677,212. For the year ended June 30, 2015, the County recognized pension expense of \$56,548 in the government-wide financial statements.

### **Georgia Judicial Retirement System**

Certain employees of the Superior Court, State Court and Juvenile Court offices are covered by The Georgia Judicial Retirement System (GJRS). The GJRS was established by the Georgia General Assembly in 1998 for the purpose of providing retirement allowances for judges and solicitors generals of the state courts and juvenile court judges in Georgia, and their survivors and other beneficiaries, superior court judges of the state of Georgia, and district attorneys of the State of Georgia. The GJRS was also created to serve the members and beneficiaries of the Trial Judges and Solicitors Retirement Fund, the Superior Court Judges Retirement System, and the District Attorneys Retirement System (collectively, the Predecessor Retirement Systems). The GJRS is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. GJRS issues a publicly available financial report that can be obtained at <http://www.ers.ga.gov/plans/court/jrsforms.html>.

The State of Georgia makes contributions to GJRS for its employees and also on behalf of local county employers. Therefore, the County is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity in GJRS. Since the County does not contribute directly to ERS, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. However, the notes to the financial statements must disclose the portion of the County's total proportionate share of the collective net pension liability (asset) that is associated with the County. The County must recognize the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County.

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to GJRS during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.704834%. The County's proportionate share of the net pension liability (asset) as of June 30, 2015 was (\$354,863). For the year ended June 30, 2015, the County recognized pension expense (benefit) of (\$44,796) in the government-wide financial statements.

### **Georgia Firefighters' Pension Fund**

Certain employees of the Fire Department are covered by The Georgia Firefighters' Pension Fund (GFPF). The GFPF was established by the Georgia General Assembly in 1995 for the purpose of providing retirement benefits for qualified firefighters. The GFPF is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. GJRS issues a publicly available financial report that can be obtained at <http://gfpf.org/about/annual-reports/>.

Any person employed as a firefighter or enrolled as a volunteer firefighter within the State of Georgia or any regular employee of the GPPF is eligible for membership in the GPPF. The various fire departments located within the State of Georgia, as employers of the members of GPPF, do not make contributions to the fund. The State of Georgia provides nonemployer contributions to the GPPF through the collection of insurance premiums tax. Since the County does not contribute directly to GPPF, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. In addition, the County recognized the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County.

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to GPPF during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.947616%. The County's proportionate share of the net pension liability (asset) as of June 30, 2015 was \$826,311. For the year ended June 30, 2015, the County recognized pension expense of \$98,146 in the government-wide financial statements

#### ***Peace Officers' Annuity and Benefit Fund of Georgia***

Certain employees of the Sheriff's Department are covered by The Peace Officers' Annuity and Benefit Fund of Georgia (POABF). The POAB Fund was established by the Georgia General Assembly in 1950 for the purpose of providing retirement benefits to peace officers. The POABF is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. POABF issues a publicly available financial report that can be obtained at <http://poab.georgia.gov/board-commissioners-updates>.

Members of the POABF are employed by units of government throughout the state of Georgia. The employers of the POABF's members do not make contributions to the Fund. The State of Georgia provides nonemployer contributions to the fund through the collection of court fines and forfeitures. Since the County does not contribute directly to POABF, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. The County recognized the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County.

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to POABF during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.5887365%. The County's proportionate share of the net pension liability (asset) as of June 30, 2015 was (148,540). For the year ended June 30, 2015, the County recognized pension expense of \$5,501 in the government-wide financial statements.

### ***Sheriff's Retirement Fund of Georgia***

The Fayette County Sheriff is covered by The Sheriff's Retirement Fund of Georgia (SRFG). The SRFG was established by the Georgia General Assembly in 1963 for the purpose of providing retirement benefits to the elected officials serving in the capacity of Sheriff of the counties of Georgia. The SRFG is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. The SRFG issues a publicly available financial report that can be obtained at <http://georgiasheriffs.org/resources/sheriffs-retirement-fund>.

Members of the SRFG are employed by units of government throughout the state of Georgia. The employers of the SRFG's members do not make contributions to the Fund. The State of Georgia provides nonemployer contributions to the fund through the collection of court fines and forfeitures and through member contributions. Since the County does not contribute directly to SRFG, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. The County recognized the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County.

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to SRFG during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.6289308%. The County's proportionate share of the net pension liability as of June 30, 2015 was \$124,539. For the year ended June 30, 2015, the County recognized pension expense of \$13,029 in the government-wide financial statements.

### ***The Judges of the Probate Courts Retirement Fund of Georgia***

The Fayette County Probate Court Judge is covered by The Judges of the Probate Courts Retirement Fund of Georgia (PCRF). The PCRF was established by the Georgia General Assembly in 1958 for the purpose of providing retirement benefits to judges of the probate courts of the State of Georgia. The PCRF is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. The PCRF issues a publicly available financial report that can be obtained at <http://pjrf.georgia.gov/fund-management>.

Each County in the state of Georgia has a judge of the probate court who is eligible to be a member of the PCRF. The counties, as employers of the fund, do not make contributions. The State of Georgia provides nonemployer contributions to the fund through the collection of court fines and forfeitures. Since the County does not contribute directly to PCRF, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. The County recognized the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County.

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to PCRF during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.645161%. The County's proportionate share of the net pension liability (asset) as of June 30, 2015 was (116,505). For the year ended June 30, 2015, the County recognized pension expense (benefit) of (\$54,638) in the government-wide financial statements.

#### ***Magistrates Retirement Fund of Georgia***

The Fayette County Chief Magistrate is covered by The Magistrates Retirement Fund of Georgia (MRFG). The MRFG was established by the Georgia General Assembly in 2006 for the purpose of providing retirement benefits to chief magistrates of the magistrate courts of the State of Georgia. The MRFG is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. The PCRF issues a publicly available financial report that can be obtained at <http://mrf.georgia.gov/fund-management>.

Employees of magistrate courts, including the chief magistrate, are employees of the county in which the court is located. The counties, as the employers, of the members of the fund, do not make contributions to the fund. The State of Georgia provides nonemployer contributions to the fund through the collection of court filing fees. Since the County does not contribute directly to PCRF, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. The County recognized the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County.

The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to MRFG during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.953930%. The County's proportionate share of the net pension liability (asset) as of June 30, 2015 was (\$58,515). For the year ended June 30, 2015, the County recognized pension expense (benefit) of \$17,826 in the government-wide financial statements.

### ***Superior Court Clerks' Retirement Fund of Georgia***

The Fayette County Clerk of Superior Court is covered by The Superior Court Clerks' Retirement Fund of Georgia (SCCRF). The SCCRf was established by the Georgia General Assembly in 2052 for the purpose of providing retirement benefits to Clerks of the Superior Courts of Georgia who meet certain eligibility requirements and who choose to join by paying the membership dues imposed by the legislation. The MRFG is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. The PCRf issues a publicly available financial report that can be obtained at <http://mrf.georgia.gov/fund-management>.

The counties, as the employers, of the members of the fund, do not make contributions to the fund. The State of Georgia provides nonemployer contributions to the fund through the collection of fines and forfeitures, civil fees, recording fees and from member dues. Since the County does not contribute directly to SCCRf, there is no net pension liability (asset) or deferred inflows or outflows to recognize in the financial statements of the County. The County recognized the pension expense associated with the County as well as revenue in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the County. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The County's proportion of the net pension liability was based on contributions to SCCRf during the fiscal year ended June 30, 2014. At June 30 2014, the County's proportion was 0.617284%. The County's proportionate share of the net pension liability (asset) as of June 30, 2015 was (\$89,655). For the year ended June 30, 2015, the County recognized pension expense of \$17,917 in the government-wide financial statements.

### **F. 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.

### **G. 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 fiscal year ended June 30, 2015 were \$110,850. 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.

**H. 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.

**I. General Fund Fund Balance – Committed and Assigned Designations**

On the Governmental Funds Balance Sheet, the total Fund Balance for the General Fund at June 30, 2015 was \$31,280,200. The various components comprising that amount are as follows:

Fund balance:

Nonspendable:			
Inventories		\$	132,671
Committed to:			
Stabilization fund			12,527,406
Assigned to:			
Emergencies	\$2,000,000		
Stormwater loan	1,750,000		
Capital projects	<u>9,683,650</u>		<u>13,433,650</u>
Unassigned			<u>5,186,473</u>
Total fund balance			<u>\$31,280,200</u>

With its adoption of a resolution on August 25, 2011, the Board of Commissioners updated its financial policies in regard to reserve funds. One of the new policies called for a Stabilization Fund or working reserve to be established equal to at least three months (i.e., 25%) of the appropriations budget for the Governmental Tax Funds. Per the policy, this amount is to be shown in the committed fund classification of the County’s financial statements. The Stabilization Fund is to be created and maintained to provide the fiscal capacity to 1) offset any significant economic downturn and the revision of any general government activity; 2) provide sufficient working capital; and 3) provide a sufficient cash flow for current financial needs without short-term borrowing. To be able to use the funds that are committed for stabilization, the Board of Commissioners must take formal action to release the funds. This type of action will only be taken when failure to take such action would result in a negative position for the unassigned fund balance.

As a second component of the resolution adopted on August 25, 2011, the Board also approved the assignment of \$2 million of fund balance. The assigned fund balance for emergencies is to be used only for natural or man-made disasters. These funds cannot be released without formal action of the Board of Commissioners.

The County employs encumbrance accounting for transactions during the fiscal year. Encumbrances are commitments related to unfilled contracts for goods and services including purchase orders. In accordance with the County's financial policies which have been adopted by Board resolution, appropriations lapse at year-end. Any open encumbrances are recorded and those financial commitments are honored in the subsequent fiscal year. The ensuing year's appropriations budget is adjusted by the amount of outstanding encumbrances. There were no outstanding encumbrances at June 30, 2015. Accordingly, encumbrances are disclosed by purpose in Note III.G. as Special Programs.

**J. Prior Period Adjustments**

The County has determined that a restatement of the beginning fund balance of the General Fund is required to correct the reporting of Local Maintenance & Improvement Grant (LMIG) revenues. Management reviewed the accounting of the grant and determined revenue should be recognized upon receipt instead of as unearned in accordance with Governmental Accounting Standards Board (GASB) No. 33.

Fund Balance, as previously reported	\$ 32,493,437
Recognize LMIG grant revenue that was previously unearned	638,756
Fund Balance, as restated	<u>\$ 33,132,193</u>

The County has determined that a restatement of the beginning Governmental Activities net position is required to adjust the beginning balance of Construction in Progress (CIP) due to certain capital projects that were not included in CIP in error. In addition, beginning net position requires an adjustment due to the implementation of GASB No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, as well as GASB Statement No. 71 Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* through which accounting for pension plans and the related disclosure requirements were modified. These adjustments resulted in a change to the beginning net position for Governmental Activities as follows:

Net Position, as previously reported	\$ 173,706,316
Recognize LMIG grant revenue that was previously unearned	638,756
Adjustment of beginning Construction in Progress	2,168,546
Recognition of net pension asset and related deferred outflows of resources accordance with GASB No. 68 and 71	3,361,814
Net Position, as restated	<u>\$ 179,875,432</u>

The County has determined that a restatement of the beginning net position of the Business-Type Activities is required to report implementation of GASB No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, as well as GASB Statement No. 71 Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* through which accounting for pension plans and the related disclosure requirements were modified. These adjustments resulted in a change to the beginning net position for Business-Type Activities and the Water System and Solid Waste Funds are as follows:

	<u>Business-type Activities</u>
Net Position, as previously reported	\$ 81,075,168
Recognition of net pension asset and related deferred outflows of resources accordance with GASB No. 68 and 71	<u>599,459</u>
Net Position, as restated	<u><u>\$ 81,674,627</u></u>

	<u>Water System Fund</u>	<u>Solid Waste Fund</u>
Net Position, as previously reported	\$ 79,370,595	\$ 989,789
Recognition of net pension asset and related deferred outflows of resources accordance with GASB No. 68 and 71	<u>589,143</u>	<u>10,316</u>
Net Position, as restated	<u><u>\$ 79,959,738</u></u>	<u><u>\$ 1,000,105</u></u>

The Fayette County Department of Public Health, a discretely presented component unit, has determined that a restatement of the beginning net position of the Solid Waste Fund is required to report implementation of GASB No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions made Subsequent to the Measurement Date*. Management determined the beginning net position should be adjusted to record the beginning Net Pension Asset and related deferred inflows and outflows in accordance with the statements.

Net Position, as previously reported	\$ 1,003,592
Recognition of net pension asset and related deferred outflows of resources accordance with GASB No. 68 and 71	<u>(1,112,261)</u>
Net Position, as restated	<u><u>\$ (108,669)</u></u>



*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

## **REQUIRED SUPPLEMENTARY INFORMATION**

**FAYETTE COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 921,991
Interest	2,386,445
Changes of benefit terms	--
Differences between expected and actual experience	--
Changes of assumptions	--
Benefit payments	(1,040,539)
<b>Net change in total pension liability</b>	<b>2,267,897</b>
<b>Total pension liability-beginning</b>	<b>31,819,265</b>
<b>Total pension liability-ending (a)</b>	<b>\$ 34,087,162</b>
 <b>Plan fiduciary net position</b>	
Contributions-employer	\$ 183,425
Contributions-employee	2,530,040
Net investment income	2,872,411
Benefit payments	(1,002,929)
Employee contribution refunds	(214,263)
Administrative expense	(114,168)
Other	(197,640)
<b>Net change in plan fiduciary net position</b>	<b>4,056,876</b>
 <b>Plan fiduciary net position-beginning</b>	<b>37,550,226</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 41,607,102</b>
 <b>County's net pension liability (assets) - ending (a) - (b)</b>	<b>\$ (7,519,940)</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability (asset)</b>	<b>122.06%</b>
 <b>Covered-employee payroll</b>	<b>\$ 29,389,328</b>
<b>County's net pension liability (asset) as a percentage of covered-employee payroll</b>	<b>-25.59%</b>

**Notes to the Schedule:**

This schedule will present 10 years of information once its accumulated.

**FAYETTE COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<b>2015</b>
Actuarially determined contribution	\$ 170,313
Contributions in relation to the actuarially determined contribution	183,425
Contribution deficiency (excess)	\$ (13,112)
Covered-employee payroll	\$ 29,389,328
Contributions as a percentage of covered-employee payroll	0.62%

**Notes to Schedule**

Valuation Date:	January 1, 2015
Actuarial cost method	Entry Age Normal
Asset valuation method	Smoothed market value with a 5-year smoothing period
Inflation	3.00%
Salary increases	3.00% per year with an age based scale
Investment rate of return	7.50% net pension plan investment expense, including inflation
Retirement age	65
Mortality	Mortality rates were based on RP-2000 Combined Mortality Table

Other Information: This schedule is presented to illustrate the requirement to show information for 10 years. However, a full 10-year trend is not available. The Actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

**FAYETTE COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS**

**Fayette County OPEB Plan**

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) - Projected Unit Credit ( b )	Unfunded AAL (UAAL) ( b - a )	Funded Ratio ( a / b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll [( b - a ) / c ]
1/1/2009	\$ -	\$ 1,451,450	\$ 1,451,450	0.00%	\$ 32,700,000	4.44%
1/1/2011	-	2,197,298	2,197,298	0.00%	32,500,000	6.76%
6/30/2013	-	1,918,628	1,918,628	0.00%	-	0.00%

**Notes to Schedule**

During 2013, the Board of Commissioners discontinued the OPEB plan and only the current 28 retired employees receiving the benefit will continue to receive. As a result, there is no covered payroll subsequent to 2013.

The assumptions used in the preparation of the above schedule are disclosed in Note IV.B to the financial statements.



"WHERE QUALITY  
IS A LIFESTYLE"

---

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**Fayette County, Georgia**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2015**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 3,341,453	\$ 5,169,388	\$ 8,510,841
Investments	-	4,112,425	4,112,425
Receivables (net of allowances for uncollectibles)	583,745	58,325	642,070
Total assets	<u>\$ 3,925,198</u>	<u>\$ 9,340,138</u>	<u>\$ 13,265,336</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES:</b>			
Liabilities:			
Accounts payable	\$ 72,649	\$ 896,347	\$ 968,996
Salary and benefits payable	60,658	-	60,658
Total liabilities	<u>133,307</u>	<u>896,347</u>	<u>1,029,654</u>
Deferred inflows of resources - Unavailable revenue	<u>7,221</u>	<u>-</u>	<u>7,221</u>
Fund balances:			
Restricted for:			
Special programs:			
Capital projects	-	799,365	799,365
Court services	515,074	-	515,074
Law enforcement	1,804,421	-	1,804,421
Street lights	139,551	-	139,551
Grants	12,027	-	12,027
Committed for -			
Capital projects	<u>1,313,597</u>	<u>7,644,426</u>	<u>8,958,023</u>
Total fund balances	<u>3,784,670</u>	<u>8,443,791</u>	<u>12,228,461</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,925,198</u>	<u>\$ 9,340,138</u>	<u>\$ 13,265,336</u>

**Fayette County, Georgia**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2015**

	Emergency 911	Street Lights	Grants	Confiscated Assets	Fine Surcharges	Totals
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,035,028	\$ 139,076	\$ 12,027	\$ 1,743,044	\$ 412,278	\$ 3,341,453
Receivables (net of allowances for uncollectibles)	<u>398,536</u>	<u>2,194</u>	<u>-</u>	<u>9,308</u>	<u>173,707</u>	<u>583,745</u>
Total assets	<u>\$ 1,433,564</u>	<u>\$ 141,270</u>	<u>\$ 12,027</u>	<u>\$ 1,752,352</u>	<u>\$ 585,985</u>	<u>\$ 3,925,198</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:</b>						
Liabilities:						
Accounts payable	\$ 54,479	\$ -	\$ -	\$ -	\$ 18,170	\$ 72,649
Salary and benefits payable	<u>59,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>672</u>	<u>60,658</u>
Total liabilities	<u>114,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,842</u>	<u>133,307</u>
Deferred inflows of resources - Unearned revenue	<u>5,502</u>	<u>1,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,221</u>
Fund balances:						
Restricted for:						
Special programs:						
Court services	-	-	-	-	515,074	515,074
Law enforcement	-	-	-	1,752,352	52,069	1,804,421
Street lights	-	139,551	-	-	-	139,551
Grants	-	-	12,027	-	-	12,027
Committed for - Capital projects	<u>1,313,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,313,597</u>
Total fund balances	<u>1,313,597</u>	<u>139,551</u>	<u>12,027</u>	<u>1,752,352</u>	<u>567,143</u>	<u>3,784,670</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 1,433,564</u>	<u>\$ 141,270</u>	<u>\$ 12,027</u>	<u>\$ 1,752,352</u>	<u>\$ 585,985</u>	<u>\$ 3,925,198</u>

**Fayette County, Georgia**  
**Combining Balance Sheet**  
**Non-Major Capital Projects Funds**  
**June 30, 2015**

	Unincorporated County Roads SPLOST	Kenwood Park Construction	General Capital Projects	Totals
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 800,196	\$ -	\$ 4,369,192	\$ 5,169,388
Investments	-	-	4,112,425	4,112,425
Receivables (net of allowances for uncollectibles)	-	-	58,325	58,325
<b>Total assets</b>	<b>\$ 800,196</b>	<b>\$ -</b>	<b>\$ 8,539,942</b>	<b>\$ 9,340,138</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities -				
Accounts payable	\$ 831	\$ -	\$ 895,516	\$ 896,347
<b>Total liabilities</b>	<b>831</b>	<b>-</b>	<b>895,516</b>	<b>896,347</b>
Fund balances:				
Restricted for -				
Capital projects	799,365	-	-	799,365
Committed to -				
Capital projects	-	-	7,644,426	7,644,426
<b>Total fund balances</b>	<b>799,365</b>	<b>-</b>	<b>7,644,426</b>	<b>8,443,791</b>
<b>Total liabilities and fund balances</b>	<b>\$ 800,196</b>	<b>\$ -</b>	<b>\$ 8,539,942</b>	<b>\$ 9,340,138</b>

**Fayette County, Georgia**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
<b>REVENUES:</b>			
Taxes:			
Property	\$ 1,255,445	\$ -	\$ 1,255,445
Sales	-	6,232	6,232
Other	2,659	-	2,659
Intergovernmental	550,589	287,196	837,785
Charges for services	2,497,676	-	2,497,676
Fines and forfeitures	1,088,745	-	1,088,745
Investment earnings	269	27,608	27,877
Contributions and donations	-	20,020	20,020
Miscellaneous revenues	15,479	26,700	42,179
Total revenues	<u>5,410,862</u>	<u>367,756</u>	<u>5,778,618</u>
<b>EXPENDITURES:</b>			
Current:			
Judicial system	531,327	-	531,327
Public safety	3,596,025	-	3,596,025
Public works	307,632	-	307,632
Capital outlay	-	4,395,085	4,395,085
Intergovernmental	-	3,185	3,185
Total expenditures	<u>4,434,984</u>	<u>4,398,270</u>	<u>8,833,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>975,878</u>	<u>(4,030,514)</u>	<u>(3,054,636)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	46,909	4,947,100	4,994,009
Transfers out	(455,326)	(1,317,702)	(1,773,028)
Sale of capital assets	1,249,000	-	1,249,000
Total other financing sources (uses)	<u>840,583</u>	<u>3,629,398</u>	<u>4,469,981</u>
Net change in fund balance	1,816,461	(401,116)	1,415,345
Fund balance, beginning of year	<u>1,968,209</u>	<u>8,844,907</u>	<u>10,813,116</u>
Fund balance, end of year	<u>\$ 3,784,670</u>	<u>\$ 8,443,791</u>	<u>\$ 12,228,461</u>

**Fayette County, Georgia**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2015**

<b>REVENUES:</b>	Emergency 911	Street Lights	Grants	Confiscated Assets	Fine Surcharges	Totals
Taxes:						
Property	\$ 920,969	\$ 334,476	\$ -	\$ -	\$ -	\$ 1,255,445
Other	2,659	-	-	-	-	2,659
Intergovernmental	-	-	18	-	550,571	550,589
Charges for services	2,497,676	-	-	-	-	2,497,676
Fines and forfeitures	-	-	-	598,552	490,193	1,088,745
Investment earnings	-	-	-	269	-	269
Miscellaneous revenues	-	13,764	-	1,715	-	15,479
Total revenues	<u>3,421,304</u>	<u>348,240</u>	<u>18</u>	<u>600,536</u>	<u>1,040,764</u>	<u>5,410,862</u>
<b>EXPENDITURES:</b>						
Current:						
Judicial system	-	-	-	-	531,327	531,327
Public safety	2,678,101	-	-	523,602	394,322	3,596,025
Public works	-	307,632	-	-	-	307,632
Total expenditures	<u>2,678,101</u>	<u>307,632</u>	<u>-</u>	<u>523,602</u>	<u>925,649</u>	<u>4,434,984</u>
Excess of revenues						
Over expenditures	743,203	40,608	18	76,934	115,115	975,878
<b>OTHER FINANCING SOURCES</b>						
<b>(USES):</b>						
Transfers in	46,909	-	-	-	-	46,909
Transfers out	(455,185)	-	(141)	-	-	(455,326)
Sale of capital assets	-	-	-	1,249,000	-	1,249,000
Total other financing sources (uses)	<u>(408,276)</u>	<u>-</u>	<u>(141)</u>	<u>1,249,000</u>	<u>-</u>	<u>840,583</u>
Net change in fund balance	334,927	40,608	(123)	1,325,934	115,115	1,816,461
Fund balance, beginning of year	<u>978,670</u>	<u>98,943</u>	<u>12,150</u>	<u>426,418</u>	<u>452,028</u>	<u>1,968,209</u>
Fund balance, end of year	<u><u>\$ 1,313,597</u></u>	<u><u>\$ 139,551</u></u>	<u><u>\$ 12,027</u></u>	<u><u>\$ 1,752,352</u></u>	<u><u>\$ 567,143</u></u>	<u><u>\$ 3,784,670</u></u>

**Fayette County, Georgia**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Unincorporated County Roads SPLOST	Kenwood Park	General Capital Projects	Totals
<b>REVENUES:</b>				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ 6,232	\$ -	\$ -	\$ 6,232
Intergovernmental	-	-	287,196	287,196
Investment earnings	1,265	43	26,300	27,608
Contributions and donations	-	-	20,020	20,020
Miscellaneous revenues	-	-	26,700	26,700
Total revenues	<u>7,497</u>	<u>43</u>	<u>360,216</u>	<u>367,756</u>
<b>EXPENDITURES:</b>				
Capital outlay	43,403	-	4,351,682	4,395,085
Intergovernmental	3,185	-	-	3,185
Total expenditures	<u>46,588</u>	<u>-</u>	<u>4,351,682</u>	<u>4,398,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,091)</u>	<u>43</u>	<u>(3,991,466)</u>	<u>(4,030,514)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	4,947,100	4,947,100
Transfers out	-	(648,100)	(669,602)	(1,317,702)
Total other financing sources (uses)	<u>-</u>	<u>(648,100)</u>	<u>4,277,498</u>	<u>3,629,398</u>
Net change in fund balance	(39,091)	(648,057)	286,032	(401,116)
Fund balance, beginning of year	<u>838,456</u>	<u>648,057</u>	<u>7,358,394</u>	<u>8,844,907</u>
Fund balance, end of year	<u>\$ 799,365</u>	<u>\$ -</u>	<u>\$ 7,644,426</u>	<u>\$ 8,443,791</u>

**Fayette County, Georgia**  
**Emergency 911 (E-911) Tax District Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 917,200	\$ 899,200	\$ 920,969	\$ 21,769
Other	2,000	2,000	2,659	659
Charges for services	2,400,000	2,400,000	2,497,676	97,676
Total revenues	<u>3,319,200</u>	<u>3,301,200</u>	<u>3,421,304</u>	<u>120,104</u>
<b>EXPENDITURES:</b>				
Current -				
Public safety -				
Emergency 911	2,970,871	2,994,714	2,678,101	316,613
Total expenditures	<u>2,970,871</u>	<u>2,994,714</u>	<u>2,678,101</u>	<u>316,613</u>
Excess of revenues over expenditures	<u>348,329</u>	<u>306,486</u>	<u>743,203</u>	<u>436,717</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	46,909	46,909	-
Transfers out	<u>(455,185)</u>	<u>(455,185)</u>	<u>(455,185)</u>	<u>-</u>
Total other financing sources (uses)	<u>(455,185)</u>	<u>(408,276)</u>	<u>(408,276)</u>	<u>-</u>
Net change in fund balance	<u>\$ (106,856)</u>	<u>\$ (101,790)</u>	334,927	<u>\$ 436,717</u>
Fund balance, beginning of year			<u>978,670</u>	
Fund balance, end of year			<u>\$ 1,313,597</u>	

**Fayette County, Georgia**  
**Street Lights Tax District Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes -				
Property	\$ 325,000	\$ 325,000	\$ 334,476	\$ 9,476
Miscellaneous Revenues	-	-	13,764	13,764
	325,000	325,000	348,240	23,240
<b>EXPENDITURES:</b>				
Current -				
Public works -				
Street lights	325,000	325,000	307,632	17,368
Excess of revenues over expenditures	-	-	40,608	40,608
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	40,608	\$ 40,608
Fund balance, beginning of year			98,943	
Fund balance, end of year			\$ 139,551	

**Fayette County, Georgia**  
**Grants Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental -				
Judicial data exchange grant	\$ 11,085	\$ 11,085	\$ 18	\$ (11,067)
<b>EXPENDITURES:</b>				
Current:				
Judicial system -				
Judicial data exchange	12,576	12,576	-	12,576
Public safety:				
Emergency services	485	485	-	485
Emergency management	5,687	5,687	-	5,687
Fire services	169	169	-	169
Total expenditures	18,917	18,917	-	18,917
Excess (deficiency) of revenues over (under) expenditures	(7,832)	(7,832)	18	7,850
<b>OTHER FINANCING SOURCES (Uses):</b>				
Transfers out	-	(141)	(141)	-
Total other financing sources (uses)	-	(141)	(141)	-
Net change in fund balance	<u>\$ (7,832)</u>	<u>\$ (7,973)</u>	(123)	<u>\$ 7,850</u>
Fund balance, beginning of year			12,150	
Fund balance, end of year			<u>\$ 12,027</u>	

**Fayette County, Georgia**  
**Confiscated Assets Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures:				
U. S. customs	\$ -	\$ 169,331	\$ 169,331	\$ -
Federal	-	382,617	382,616	(1)
State	17,900	28,060	46,605	18,545
Investment earnings	-	268	269	1
Miscellaneous revenues	-	1,715	1,715	-
Total revenues	<u>17,900</u>	<u>581,991</u>	<u>600,536</u>	<u>18,545</u>
<b>EXPENDITURES:</b>				
Current -				
Public safety -				
Sheriff's office:				
U. S. customs	-	241,939	241,934	5
Federal	-	253,621	253,609	12
State	17,900	28,060	28,059	1
Total expenditures	<u>17,900</u>	<u>523,620</u>	<u>523,602</u>	<u>18</u>
Excess of revenues over expenditures	-	58,371	76,934	18,563
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	-	1,249,000	1,249,000	-
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,307,371</u>	1,325,934	<u>\$ 18,563</u>
Fund balance, beginning of year			<u>426,418</u>	
Fund balance, end of year			<u>\$ 1,752,352</u>	

**Fayette County, Georgia**  
**Fine Surcharges Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Jail surcharge	\$ 210,000	\$ 210,000	\$ 221,878	\$ 11,878
Victims' assistance surcharge	80,000	80,000	88,143	8,143
Drug court grant	242,256	245,044	240,550	(4,494)
Fines and forfeitures:				
Jail surcharge	100,000	100,000	134,221	34,221
Victims' assistance surcharge	49,395	49,395	59,908	10,513
Drug abuse education surcharge	110,000	110,000	218,318	108,318
Juvenile court supervision surcharge	16,000	16,000	16,246	246
Law library surcharge	62,160	56,499	61,500	5,001
Total revenues	<u>869,811</u>	<u>866,938</u>	<u>1,040,764</u>	<u>173,826</u>
<b>EXPENDITURES:</b>				
Current:				
Judicial system:				
Victims' assistance	129,395	129,395	129,396	(1)
Drug abuse education	352,256	355,044	323,609	31,435
Juvenile court supervision	24,908	24,908	16,442	8,466
Law library	62,160	62,160	61,880	280
Public safety -				
Prisoner meals	310,000	394,322	394,322	-
Total expenditures	<u>878,719</u>	<u>965,829</u>	<u>925,649</u>	<u>40,180</u>
Excess (deficiency) of revenues over (under) expenditures	(8,908)	(98,891)	115,115	214,006
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
Net change in fund balance	<u>\$ (8,908)</u>	<u>\$ (98,891)</u>	115,115	<u>\$ 214,006</u>
Fund balance, beginning of year			<u>452,028</u>	
Fund balance, end of year			<u>\$ 567,143</u>	

**Fayette County, Georgia**  
**County-Wide Roads SPLOST Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ 68,318,614	\$ 14,541	\$ 68,333,155	\$ 81,100,087
Intergovernmental -				
Grants	447,824	-	447,824	-
Investment earnings	4,266,804	169,137	4,435,941	-
Total revenues	<u>73,033,242</u>	<u>183,678</u>	<u>73,216,920</u>	<u>81,100,087</u>
<b>EXPENDITURES:</b>				
Capital outlay -				
Streets and bridges	32,093,909	1,610,724	33,704,633	81,100,087
Intergovernmental -				
City of Fayetteville	3,106,815	583,383	3,690,198	-
Total expenditures	<u>35,200,724</u>	<u>2,194,107</u>	<u>37,394,831</u>	<u>81,100,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,832,518</u>	<u>(2,010,429)</u>	<u>35,822,089</u>	<u>-</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	205,000	-	205,000	-
Sale of capital assets	97	-	97	-
Total other financing sources (uses)	<u>205,097</u>	<u>-</u>	<u>205,097</u>	<u>-</u>
Net change in fund balance	<u>\$ 38,037,615</u>	<u>(2,010,429)</u>	<u>\$ 36,027,186</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>38,037,615</u>		
Fund balance, end of year		<u>\$ 36,027,186</u>		

**Fayette County, Georgia**  
**Unincorporated County Roads SPLOST Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ 29,320,838	\$ 6,232	\$ 29,327,070	\$ 34,757,180
Intergovernmental:				
Clayton County	65,959	-	65,959	-
City of Peachtree City	63,263	-	63,263	-
Investment earnings	473,375	1,265	474,640	-
Total revenues	<u>29,923,435</u>	<u>7,497</u>	<u>29,930,932</u>	<u>34,757,180</u>
<b>EXPENDITURES:</b>				
Capital outlay -				
Streets and bridges	13,938,991	43,403	13,982,394	16,780,767
Intergovernmental:				
Town of Brooks	178,617	-	178,617	212,019
City of Fayetteville	3,578,546	762	3,579,308	4,247,327
City of Peachtree City	10,132,380	2,156	10,134,536	12,025,984
Town of Tyrone	1,256,445	267	1,256,712	1,491,083
Total expenditures	<u>29,084,979</u>	<u>46,588</u>	<u>29,131,567</u>	<u>34,757,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 838,456</u>	<u>(39,091)</u>	<u>\$ 799,365</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>838,456</u>		
Fund balance, end of year		<u>\$ 799,365</u>		

**Fayette County, Georgia**  
**Kenwood Park Construction Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2015**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment earnings	\$ 38,766	\$ 43	\$ 38,809	\$ -
Total revenues	<u>38,766</u>	<u>43</u>	<u>38,809</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Capital outlay -				
Kenwood park construction	4,281,055	-	4,281,055	4,890,346
Total expenditures	<u>4,281,055</u>	<u>-</u>	<u>4,281,055</u>	<u>4,890,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,242,289)</u>	<u>43</u>	<u>(4,242,246)</u>	<u>(4,890,346)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,940,346	-	4,940,346	4,940,346
Transfers out	(50,000)	(648,100)	(698,100)	(50,000)
Total other financing sources (uses)	<u>4,890,346</u>	<u>(648,100)</u>	<u>4,242,246</u>	<u>4,890,346</u>
Net change in fund balance	<u>\$ 648,057</u>	<u>(648,057)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>648,057</u>		
Fund balance, end of year		<u>\$ -</u>		

**Fayette County, Georgia**  
**Combining Statement of Net Position**  
**Non-Major Business-Type Enterprise Funds**  
**June 30, 2015**

	Solid Waste	Stormwater Utility	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents -			
Unrestricted	\$ 610,324	\$ 1,111,769	\$ 1,722,093
Interest receivable	15	-	15
Accounts receivable, net of allowance	15,039	259,316	274,355
Total current assets	<u>625,378</u>	<u>1,371,085</u>	<u>1,996,463</u>
Non-current assets -			
Capital assets:			
Land	16,517	-	16,517
Construction in progress	-	246,632	246,632
Improvements other than buildings	120,170	-	120,170
Buildings and other structures	158,499	-	158,499
Machinery, equipment and vehicles	210,445	-	210,445
Less: accumulated depreciation	<u>(383,595)</u>	<u>-</u>	<u>(383,595)</u>
Total capital assets (net of accumulated depreciation)	<u>122,036</u>	<u>246,632</u>	<u>368,668</u>
Other assets -			
Net pension asset	<u>13,536</u>	<u>-</u>	<u>13,536</u>
Total non-current assets	<u>135,572</u>	<u>246,632</u>	<u>382,204</u>
Total assets	<u>760,950</u>	<u>1,617,717</u>	<u>2,378,667</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>295</u>	<u>-</u>	<u>295</u>

**Fayette County, Georgia**  
**Combining Statement of Net Position**  
**Non-Major Business-Type Enterprise Funds**  
**June 30, 2015**

	Solid Waste	Stormwater Utility	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	28,104	8,368	36,472
Salary and benefits payable	1,716	-	1,716
Compensated absences	37	-	37
	<u>29,857</u>	<u>8,368</u>	<u>38,225</u>
Noncurrent liabilities:			
Compensated absences	1,203	-	1,203
	<u>31,060</u>	<u>8,368</u>	<u>39,428</u>
<b>NET POSITION</b>			
Net investment in capital assets	122,036	246,632	368,668
Unrestricted	608,149	1,362,717	1,970,866
	<u>\$ 730,185</u>	<u>\$ 1,609,349</u>	<u>\$ 2,339,534</u>

**Fayette County, Georgia**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Non-Major Business-Type Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Solid Waste	Stormwater Utility	Total
<b>Operating Revenues:</b>			
Charges for sales and services:			
Solid waste fees	\$ 66,733	\$ -	\$ 66,733
Stormwater fees	-	607,427	607,427
Total operating revenues	<u>66,733</u>	<u>607,427</u>	<u>674,160</u>
<b>Operating Expenses:</b>			
Cost of sales and services	320,300	28,999	349,299
Administration	-	30,946	30,946
Depreciation	16,487	-	16,487
Total operating expenses	<u>336,787</u>	<u>59,945</u>	<u>396,732</u>
Operating income (loss)	<u>(270,054)</u>	<u>547,482</u>	<u>277,428</u>
<b>Nonoperating Revenues (Expenses) -</b>			
Interest income	<u>134</u>	<u>-</u>	<u>134</u>
Income before transfers	(269,920)	547,482	277,562
Transfers in	<u>-</u>	<u>347,083</u>	<u>347,083</u>
Change in net position	(269,920)	894,565	624,645
Total net position - beginning, as restated	<u>1,000,105</u>	<u>714,784</u>	<u>1,714,889</u>
Total net position - ending	<u>\$ 730,185</u>	<u>\$ 1,609,349</u>	<u>\$ 2,339,534</u>

**Fayette County, Georgia**  
**Combining Statement of Cash Flows**  
**Non-Major Business-Type Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Solid Waste	Stormwater Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 58,997	\$ 542,124	\$ 601,121
Payments to suppliers	(264,620)	(30,021)	(294,641)
Payments to employees	(40,493)	-	(40,493)
Net cash provided (used) by operating activities	<u>(246,116)</u>	<u>512,103</u>	<u>265,987</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	<u>-</u>	<u>347,083</u>	<u>347,083</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Construction of capital assets	<u>-</u>	<u>(167,107)</u>	<u>(167,107)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	<u>134</u>	<u>-</u>	<u>134</u>
Net increase (decrease) in cash and cash equivalents	(245,982)	692,079	446,097
Cash and cash equivalents at beginning of year	<u>856,306</u>	<u>419,690</u>	<u>1,275,996</u>
Cash and cash equivalents at end of year	<u><u>\$ 610,324</u></u>	<u><u>\$ 1,111,769</u></u>	<u><u>\$ 1,722,093</u></u>

**Fayette County, Georgia**  
**Combining Statement of Cash Flows**  
**Non-Major Business-Type Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Solid Waste	Stormwater Utility	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:</b>			
Operating income (loss)	(270,054)	547,482	277,428
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	16,487	-	16,487
Decrease (increase) in assets:			
Accounts receivable	(7,736)	(43,843)	(51,579)
Prepaid items	-	96	96
Pension related items	(3,515)	-	(3,515)
Increase (decrease) in liabilities:			
Accounts payable	17,581	8,368	25,949
Salaries and benefits payable	153	-	153
Compensated absences	968	-	968
Total adjustments	23,938	(35,379)	(11,441)
Net cash provided (used) by operating activities	\$ (246,116)	\$ 512,103	\$ 265,987

**Fayette County, Georgia**  
**Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)**  
**Road, Street and Bridge Purposes**  
**For the Fiscal Year Ended June 30, 2015**

On November 2, 2004, a referendum was passed by the Fayette County voters to impose a one-percent Special Purpose Local Option Sales Tax (SPLOST) to be used solely for the funding of road, street and bridge improvements in Fayette County. As part of the referendum process, a list of the proposed projects and their estimated cost was provided.

The tax, which had a maximum collection period of five-years, began on April 1, 2005 and continued through March 31, 2010. The tax revenues generated from the SPLOST were divided into two pools of money with each component comprising a separate Capital Projects Fund for the County. The County-Wide Roads SPLOST Capital Projects Fund received 70-percent of the proceeds with those funds earmarked for projects that represented improvements that would address transportation needs from a broader or county-wide perspective. A good example would be the Fayetteville By-Pass road projects.

The Unincorporated County Roads SPLOST Capital Projects Fund received 30-percent of the revenues generated from the SPLOST. The purpose of this component was to address more localized transportation needs. Under this part of the program, the County identified specific projects located in the unincorporated portion of the County and four of the municipalities (i.e., Brooks, Fayetteville, Peachtree City and Tyrone) identified projects that addressed specific needs within their respective jurisdictions. As funds were received from the Georgia Department of Revenue, a pro rata portion of the monies was distributed to each of the municipalities based on the population numbers from the 2000 census. This distribution is shown as an "Intergovernmental" Expenditure on the County's accounting records for its governmental fund types.

Roughly 48.28% of this component of the SPLOST revenues were retained in this Capital Projects Fund and are programmed to be spent on road projects in the unincorporated portion of the County. The municipalities that received the SPLOST distributions from the County are responsible for the accounting and required financial reporting associated with those monies.

**Fayette County, Georgia**  
**Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)**  
**Road, Street and Bridge Purposes**  
**For the Fiscal Year Ended June 30, 2015**

MUNICIPALITIES AND UNINCORPORATED COUNTY PROJECTS - BY JURISDICTION (30% of total tax proceeds)	Original Cost Estimate	Revised Cost Estimate	Prior Years' Expenditures	Current Year's Expenditures	Total Amount Expended
Unincorporated county projects:					
Intersections	\$ 2,450,000	\$ 2,450,000	\$ 1,520,874	\$ 43,403	\$ 1,564,277
Roadways	14,330,767	14,330,767	12,418,117	-	12,418,117
Total unincorporated county projects	<u>16,780,767</u>	<u>16,780,767</u>	<u>13,938,991</u>	<u>43,403</u>	<u>13,982,394</u>
Proceeds Distributed to Municipalities For Projects:					
Town of Brooks	212,019	212,019	178,617	-	178,617
City of Fayetteville	4,247,327	4,247,327	3,578,546	762	3,579,308
City of Peachtree City	12,025,984	12,025,984	10,132,380	2,156	10,134,536
Town of Tyrone	1,491,083	1,491,083	1,256,445	267	1,256,712
Total proceeds distributed to municipalities for projects	<u>17,976,413</u>	<u>17,976,413</u>	<u>15,145,988</u>	<u>3,185</u>	<u>15,149,173</u>
Total Municipalities and unincorporated County projects - by Jurisdiction	<u>34,757,180</u>	<u>34,757,180</u>	<u>29,084,979</u>	<u>46,588</u>	<u>29,131,567</u>
<b>COUNTY-WIDE PROJECTS</b> (70% of total tax proceeds)					
Bridges	3,670,000	3,670,000	4,088,859	93,995	4,182,854
Intersections	3,657,400	3,657,400	1,530,408	9,049	1,539,457
Roadways	60,201,443 (1)	60,201,443 (1)	25,701,392 (1)	1,507,680	27,209,072
Streetscapes / paths	5,796,900	5,796,900	773,297	-	773,297
Total county-wide projects	<u>73,325,743</u>	<u>73,325,743</u>	<u>32,093,956</u>	<u>1,610,724</u>	<u>33,704,680</u>
Proceeds Distributed to Municipalities For Projects:					
City of Fayetteville	<u>7,774,344 (1)</u>	<u>7,774,344 (1)</u>	<u>3,106,768 (1)</u>	<u>583,383</u>	<u>3,690,152</u>
Total Municipalities and county-wide County projects - by Jurisdiction	<u>\$ 81,100,087</u>	<u>\$ 81,100,087</u>	<u>\$ 35,200,724</u>	<u>\$ 2,194,107</u>	<u>\$ 37,394,832</u>

(1) The "Original Cost Estimate" and "Revised Cost Estimate" were reduced by \$7,774,344 to reclassify the portion of expenditures to properly reflect proceeds distributions to the City of Fayetteville. This change also resulted in the reclassification of \$3,106,768 of "Prior Years' Expenditures" for payments made to the City.



*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

## **INTERNAL SERVICE FUNDS**

**Fayette County, Georgia**  
**Internal Service Funds**

Internal Service Funds are used to account for certain risk financing activities, and the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The County has the following four Internal Service Funds.

Workers' Compensation Self-Insurance Fund – This fund is used to account for the financing of the risk that an employee will be injured or have health issues in the course of performing their duties at work. Individual departments and funds are assessed a charge by the fund based on the actual cost of workers' compensation claims. These assessments are used to pay workers' compensation claims and associated administrative expenses that arise during the period.

Dental and Vision Self-Insurance Fund - This fund is used to account for the risk that an employee (and their covered dependents) will require preventative or curative professional services for their teeth or eyes during the year. Each department and its employees (depending upon their particular coverage) are assessed a charge which represents a pro rata share of the cost for dental and vision coverage. These assessments are used to reimburse the employee for their dental and vision claims up to the maximum allowed annual benefit.

Major Medical Self-Insurance Fund - This fund is used to account for the risk that an employee (and their covered dependents) will require preventative or curative professional services for the maintenance of their health during the year. Each department and its employees (depending upon their particular coverage) are assessed a charge which represents a pro rata share of the cost for medical coverage. These assessments are used to pay health claims and the associated administrative expenses. This fund also pays for the Employee Assistance Program (EAP) and other health related costs such as flu shots.

Vehicle Replacement Fund – This fund was established to provide resources for the County to replace the vehicles and certain equipment of its Governmental Funds. The annual charge to the various funds is based on the replacement schedule of its fleet.

**Fayette County, Georgia**  
**Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2015**

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
<b>ASSETS</b>					
Current assets:					
Unrestricted cash	\$ 762,168	\$ 127,026	\$ 1,229,901	\$ 1,667,181	\$ 3,786,276
Restricted cash	-	-	-	710,755	710,755
Cash with fiscal agent	-	-	189,605	-	189,605
Investments	-	-	-	3,080,304	3,080,304
Prepaid items	6,750	-	-	-	6,750
Total current assets	<u>768,918</u>	<u>127,026</u>	<u>1,419,506</u>	<u>5,458,240</u>	<u>7,773,690</u>
Noncurrent assets -					
Capital assets:					
Machinery, equipment and vehicles	-	-	-	14,983,681	14,983,681
Less: accumulated depreciation	-	-	-	(12,353,949)	(12,353,949)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,629,732</u>	<u>2,629,732</u>
Total assets	<u>768,918</u>	<u>127,026</u>	<u>1,419,506</u>	<u>8,087,972</u>	<u>10,403,422</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	-	-	24	12,964	12,988
Claims payable	68,919	4,083	291,162	-	364,164
Total current liabilities	<u>68,919</u>	<u>4,083</u>	<u>291,186</u>	<u>12,964</u>	<u>377,152</u>
Noncurrent liabilities -					
Certificates of participation	-	-	-	601,000	601,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>601,000</u>	<u>601,000</u>
Total liabilities	<u>68,919</u>	<u>4,083</u>	<u>291,186</u>	<u>613,964</u>	<u>978,152</u>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	-	2,028,732	2,028,732
Unrestricted	699,999	122,943	1,128,320	5,445,276	7,396,538
Total net position	<u>\$ 699,999</u>	<u>\$ 122,943</u>	<u>\$ 1,128,320</u>	<u>\$ 7,474,008</u>	<u>\$ 9,425,270</u>

**Fayette County, Georgia**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
<b>Operating Revenues:</b>					
Charges for sales and services	\$ 1,233,690	\$ 442,049	\$ 6,207,684	\$ -	\$ 7,883,423
Miscellaneous revenues	-	-	450,000	-	450,000
Total operating revenues	<u>1,233,690</u>	<u>442,049</u>	<u>6,657,684</u>	<u>-</u>	<u>8,333,423</u>
<b>Operating Expenses:</b>					
Costs of sales and services	591,766	456,797	5,746,127	-	6,794,690
Administration	13,500	-	472,507	-	486,007
Depreciation	-	-	-	680,604	680,604
Total operating expenses	<u>605,266</u>	<u>456,797</u>	<u>6,218,634</u>	<u>680,604</u>	<u>7,961,301</u>
Operating income (loss)	<u>628,424</u>	<u>(14,748)</u>	<u>439,050</u>	<u>(680,604)</u>	<u>372,122</u>
<b>Nonoperating Revenues (Expenses):</b>					
Interest income	-	-	-	47,112	47,112
Interest expense	-	-	-	(2,598)	(2,598)
Loss on disposal of capital assets	-	-	-	(3,570)	(3,570)
Other income	-	-	-	67,500	67,500
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,444</u>	<u>108,444</u>
Income (loss) before contributions and transfers	628,424	(14,748)	439,050	(572,160)	480,566
<b>Other Financing Sources (Uses)</b>					
Capital contributions	-	-	-	40,444	40,444
Transfers in	-	-	-	901,627	901,627
Change in net position	628,424	(14,748)	439,050	369,911	1,422,637
Total net position - beginning	<u>71,575</u>	<u>137,691</u>	<u>689,270</u>	<u>7,104,097</u>	<u>8,002,633</u>
Total net position - ending	<u>\$ 699,999</u>	<u>\$ 122,943</u>	<u>\$ 1,128,320</u>	<u>\$ 7,474,008</u>	<u>\$ 9,425,270</u>

**Fayette County, Georgia**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users	\$ -	\$ 137,189	\$ 1,642,526	\$ -	\$ 1,779,715
Receipts from interfund services provided	1,233,690	304,860	4,565,158	-	6,103,708
Payments to suppliers	(585,743)	(457,424)	(6,050,869)	-	(7,094,036)
Net cash provided (used) by operating activities	<u>647,947</u>	<u>(15,375)</u>	<u>156,815</u>	<u>-</u>	<u>789,387</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>901,627</u>	<u>901,627</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from sale of capital assets	-	-	-	61,893	61,893
Redemption of certificates of participation	-	-	-	(271,000)	(271,000)
Interest paid on certificates of participation	-	-	-	(2,598)	(2,598)
Purchase of capital assets	-	-	-	(878,610)	(878,610)
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,090,315)</u>	<u>(1,090,315)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	-	-	-	47,112	47,112
Purchase of investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,292)</u>	<u>(18,292)</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,820</u>	<u>28,820</u>
Net increase (decrease) in cash and cash equivalents	647,947	(15,375)	156,815	(159,868)	629,519
Cash and cash equivalents at beginning of year	<u>114,221</u>	<u>142,401</u>	<u>1,262,691</u>	<u>2,537,804</u>	<u>4,057,117</u>
Cash and cash equivalents at end of year	<u>\$ 762,168</u>	<u>\$ 127,026</u>	<u>\$ 1,419,506</u>	<u>\$ 2,377,936</u>	<u>\$ 4,686,636</u>

**Fayette County, Georgia**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2015**

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 628,424	\$ (14,748)	\$ 439,050	\$ (680,604)	\$ 372,122
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	-	-	680,604	680,604
Decrease (increase) in assets -					
Accounts receivable	-	25	512	-	537
Increase (decrease) in liabilities:					
Accounts payable	-	-	24	-	24
Claims payable	19,523	(652)	(282,771)	-	(263,900)
Total adjustments	<u>19,523</u>	<u>(627)</u>	<u>(282,235)</u>	<u>680,604</u>	<u>417,265</u>
Net cash provided (used) by operating activities	<u>\$ 647,947</u>	<u>\$ (15,375)</u>	<u>\$ 156,815</u>	<u>\$ -</u>	<u>\$ 789,387</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>					
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,444</u>	<u>\$ 40,444</u>



*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

## **FIDUCIARY FUNDS**

**Fayette County, Georgia**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End Of Year</u>
<b>TAX COMMISSIONER</b>				
Assets:				
Cash and cash equivalents	\$ 653,291	\$ 182,442,221	\$ 179,446,402	\$ 3,649,110
Taxes receivable	3,905,671	122,388,839	123,479,604	2,814,906
Total assets	<u>\$ 4,558,962</u>	<u>\$ 304,831,060</u>	<u>\$ 302,926,006</u>	<u>\$ 6,464,016</u>
Liabilities:				
Due to others	\$ 4,309,239	\$ 304,565,620	\$ 302,861,594	\$ 6,013,265
Tax protest / bankruptcy / tax sale	249,723	265,440	64,412	450,751
Total liabilities	<u>\$ 4,558,962</u>	<u>\$ 304,831,060</u>	<u>\$ 302,926,006</u>	<u>\$ 6,464,016</u>
<b>SHERIFF'S OFFICE</b>				
Assets -				
Cash and cash equivalents	<u>\$ 157,104</u>	<u>\$ 812,594</u>	<u>\$ 822,042</u>	<u>\$ 147,656</u>
Liabilities -				
Due to others	<u>\$ 157,104</u>	<u>\$ 812,594</u>	<u>\$ 822,042</u>	<u>\$ 147,656</u>
<b>SUPERIOR COURT</b>				
Assets -				
Cash and cash equivalents	<u>\$ 850,418</u>	<u>\$ 5,188,485</u>	<u>\$ 4,913,027</u>	<u>\$ 1,125,876</u>
Liabilities -				
Due to others	<u>\$ 850,418</u>	<u>\$ 5,188,485</u>	<u>\$ 4,913,027</u>	<u>\$ 1,125,876</u>
<b>STATE COURT</b>				
Assets -				
Cash and cash equivalents	<u>\$ 507,799</u>	<u>\$ 2,589,628</u>	<u>\$ 2,393,689</u>	<u>\$ 703,738</u>
Liabilities -				
Due to others	<u>\$ 507,799</u>	<u>\$ 2,589,628</u>	<u>\$ 2,393,689</u>	<u>\$ 703,738</u>

**Fayette County, Georgia**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End Of Year</u>
<b>MAGISTRATE COURT</b>				
Assets -				
Cash and cash equivalents	\$ 97,365	\$ 628,618	\$ 617,318	\$ 108,665
Liabilities -				
Due to others	\$ 97,365	\$ 628,618	\$ 617,318	\$ 108,665
<b>JUVENILE COURT</b>				
Assets -				
Cash and cash equivalents	\$ 5,815	\$ 134,055	\$ 127,004	\$ 12,866
Liabilities -				
Due to others	\$ 5,815	\$ 134,055	\$ 127,004	\$ 12,866
<b>PROBATE COURT</b>				
Assets -				
Cash and cash equivalents	\$ 39,463	\$ 533,350	\$ 528,756	\$ 44,057
Liabilities -				
Due to others	\$ 39,463	\$ 533,350	\$ 528,756	\$ 44,057
<b>TOTAL - ALL AGENCY FUNDS</b>				
Assets:				
Cash and cash equivalents	\$ 2,311,255	\$ 192,328,951	\$ 188,848,238	\$ 5,791,968
Taxes receivable	3,905,671	122,388,839	123,479,604	2,814,906
Total assets	<u>\$ 6,216,926</u>	<u>\$ 314,717,790</u>	<u>\$ 312,327,842</u>	<u>\$ 8,606,874</u>
Liabilities:				
Due to others	\$ 5,967,203	\$ 314,452,350	\$ 312,263,430	\$ 8,156,123
Tax protest / bankruptcy / tax sale	249,723	265,440	64,412	450,751
Total liabilities	<u>\$ 6,216,926</u>	<u>\$ 314,717,790</u>	<u>\$ 312,327,842</u>	<u>\$ 8,606,874</u>



*Fayette*  
COUNTY

“WHERE QUALITY  
IS A LIFESTYLE”

---

## **STATISTICAL SECTION**

**Fayette County, Georgia  
Statistical Section**

This part of the County's Comprehensive Annual Financial Report presents additional detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

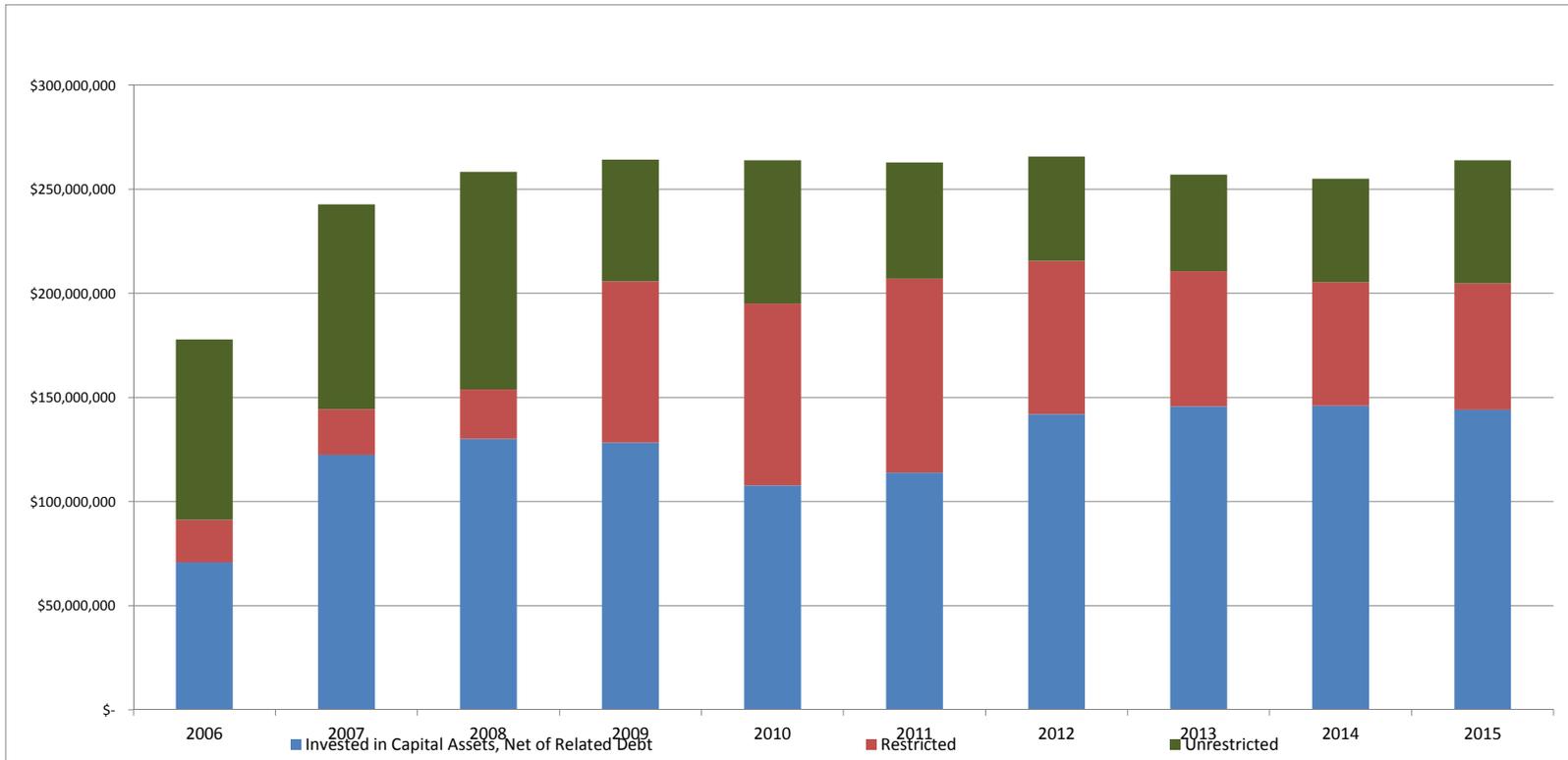
<b><u>Section Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends:</i></b> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	140
<b><i>Revenue Capacity:</i></b> These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax. The data gives insight into those factors that could affect the Government's ability to collect this revenue source going forward.	146
<b><i>Debt Capacity:</i></b> 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.	150
<b><i>Demographic and Economic Information:</i></b> These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the County's financial activities take place and help to make comparisons over time and with other entities.	154
<b><i>Operating Information:</i></b> 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.	156

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**Fayette County, Georgia  
Net Position By Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 11,881,854	\$ 61,331,911	\$ 66,118,115	\$ 63,748,577	\$ 58,397,470	\$ 70,008,446	\$ 80,352,869	\$ 82,924,362	\$ 84,415,940	\$ 87,415,034
Restricted	9,369,988	9,206,066	11,656,300	71,244,000	74,438,174	78,946,616	59,847,388	50,612,241	45,851,519	45,158,983
Unrestricted	82,196,989	94,252,175	101,662,007	49,992,711	51,871,452	34,001,574	46,009,682	43,150,112	43,438,857	48,960,932
<b>Total Governmental Activities Net Position</b>	<b>\$ 103,448,831</b>	<b>\$ 164,790,152</b>	<b>\$ 179,436,422</b>	<b>\$ 184,985,288</b>	<b>\$ 184,707,096</b>	<b>\$ 182,956,636</b>	<b>\$ 186,209,939</b>	<b>\$ 176,686,715</b>	<b>\$ 173,706,316</b>	<b>\$ 181,534,949</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 58,928,256	\$ 61,128,008	\$ 64,042,796	\$ 64,569,214	\$ 49,359,571	\$ 43,836,827	\$ 61,628,316	\$ 62,729,861	\$ 61,521,377	\$ 56,683,378
Restricted	11,073,367	12,661,526	12,010,175	6,284,372	12,918,243	14,127,960	13,655,049	14,380,299	14,375,769	15,410,942
Unrestricted	4,355,880	4,172,974	2,872,031	8,304,049	16,880,892	21,845,727	4,165,159	3,248,845	5,178,022	10,285,800
<b>Total Business-Type Activities Net Position</b>	<b>\$ 74,357,503</b>	<b>\$ 77,962,508</b>	<b>\$ 78,925,002</b>	<b>\$ 79,157,635</b>	<b>\$ 79,158,706</b>	<b>\$ 79,810,514</b>	<b>\$ 79,448,524</b>	<b>\$ 80,359,005</b>	<b>\$ 81,075,168</b>	<b>\$ 82,380,120</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 70,810,110	\$ 122,459,919	\$ 130,160,911	\$ 128,317,791	\$ 107,757,041	\$ 113,845,273	\$ 141,981,185	\$ 145,654,223	\$ 145,937,317	\$ 144,098,412
Restricted	20,443,355	21,867,592	23,666,475	77,528,372	87,356,417	93,074,576	73,502,437	64,992,540	60,227,288	60,569,925
Unrestricted	86,552,869	98,425,149	104,534,038	58,296,760	68,752,344	55,847,301	50,174,841	46,398,957	48,616,879	59,246,732
<b>Total Primary Government Net Position</b>	<b>\$ 177,806,334</b>	<b>\$ 242,752,660</b>	<b>\$ 258,361,424</b>	<b>\$ 264,142,923</b>	<b>\$ 263,865,802</b>	<b>\$ 262,767,150</b>	<b>\$ 265,658,463</b>	<b>\$ 257,045,720</b>	<b>\$ 254,781,484</b>	<b>\$ 263,915,069</b>

**Total Primary Government Net Position**



**Fayette County, Georgia**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>Expenses:</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:										
General Government	\$ 13,589,479	\$ 13,217,872	\$ 19,913,322	\$ 15,816,215	\$ 17,477,463	\$ 13,911,254	\$ 13,747,299	\$ 8,231,193	\$ 8,840,389	\$ 8,185,246
Judicial System	4,677,929	5,401,526	5,650,814	5,800,998	5,607,459	5,150,662	5,570,703	6,530,318	5,974,701	6,230,201
Public Safety	29,331,567	31,310,184	31,978,900	34,914,755	33,801,423	34,914,150	35,486,701	36,652,065	35,118,613	33,212,515
Public Works	5,433,833	15,643,667	7,673,140	13,866,560	13,183,402	10,040,669	5,109,741	10,336,908	7,921,320	9,515,157
Health and Welfare	689,879	705,001	719,934	726,382	695,438	761,169	765,345	759,250	826,969	824,642
Culture and Recreation	1,871,303	7,418,659	1,058,911	2,208,201	2,869,310	2,511,883	2,563,090	2,578,096	3,119,068	2,430,447
Housing and Development	1,460,636	1,555,478	1,392,864	1,418,307	1,260,287	1,277,307	1,408,138	1,259,508	1,223,384	1,009,389
Interest on Long-Term Debt	3,156,175	3,043,276	3,375,326	2,717,850	2,785,637	2,182,282	2,102,925	1,791,865	1,709,636	1,648,588
<b>Total Governmental Activities Expenses</b>	<b>\$ 60,210,801</b>	<b>\$ 78,295,663</b>	<b>\$ 71,763,211</b>	<b>\$ 77,469,268</b>	<b>\$ 77,680,419</b>	<b>\$ 70,749,376</b>	<b>\$ 66,753,942</b>	<b>\$ 68,139,203</b>	<b>\$ 64,734,080</b>	<b>\$ 63,056,185</b>
Business-Type Activities										
Water System	\$ 12,394,341	\$ 13,036,293	\$ 12,635,303	\$ 12,890,913	\$ 13,083,162	\$ 13,336,098	\$ 14,432,774	\$ 13,856,941	\$ 14,604,741	\$ 15,501,745
Solid Waste	121,420	138,082	160,688	165,620	162,341	163,806	333,225	249,551	348,225	336,787
Stormwater Utility	-	-	-	-	-	-	187,116	393,644	89,659	59,945
<b>Total Business-Type Activities</b>	<b>\$ 12,515,761</b>	<b>\$ 13,174,375</b>	<b>\$ 12,795,991</b>	<b>\$ 13,056,533</b>	<b>\$ 13,245,503</b>	<b>\$ 13,499,904</b>	<b>\$ 14,953,115</b>	<b>\$ 14,500,136</b>	<b>\$ 15,042,625</b>	<b>\$ 15,898,477</b>
<b>Total Primary Government Expenses</b>	<b>\$ 72,726,562</b>	<b>\$ 91,470,038</b>	<b>\$ 84,559,202</b>	<b>\$ 90,525,801</b>	<b>\$ 90,925,922</b>	<b>\$ 84,249,280</b>	<b>\$ 81,707,057</b>	<b>\$ 82,639,339</b>	<b>\$ 79,776,705</b>	<b>\$ 78,954,662</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 521,225	\$ 940,273	\$ 1,424,473	\$ 1,090,531	\$ 1,614,489	\$ 4,185,268	\$ 423,656	\$ 1,382,169	\$ 2,833,621	\$ 1,554,865
Judicial System	2,597,880	2,362,746	2,401,949	2,607,184	2,474,750	2,695,620	2,442,258	1,090,187	1,241,212	1,305,216
Public Safety	5,267,301	5,233,571	4,352,712	7,222,617	5,139,419	6,693,329	4,642,449	6,372,134	6,514,688	6,977,036
Public Works	438,362	10,076	8,001	5,928	7,170	7,175	7,576	-	1,245	7,927
Culture and Recreation	189,840	186,265	222,459	211,795	240,786	278,526	240,857	57,774	55,422	237,655
Housing and Development	665,972	672,849	60,755	20,910	10,861	210,985	196,713	9,250	8,022	980,493
Operating Grants and Contributions	808,590	5,600	20,582	23,148	31,935	27,767	947,402	287,451	486,585	453,506
Capital Grants and Contributions	-	-	-	-	-	204,367	598,070	1,181,470	1,951,495	1,995,322
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 10,489,170</b>	<b>\$ 9,411,380</b>	<b>\$ 8,490,931</b>	<b>\$ 11,182,113</b>	<b>\$ 9,519,410</b>	<b>\$ 14,303,037</b>	<b>\$ 9,498,981</b>	<b>\$ 10,380,435</b>	<b>\$ 13,092,290</b>	<b>\$ 13,512,020</b>
Business-Type Activities:										
Charges for Services:										
Water System	\$ 12,430,665	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,296	\$ 15,271,737
Solid Waste	141,413	361,200	85,380	109,122	120,708	140,382	132,095	115,337	80,878	66,733
Stormwater Utility	-	-	-	-	-	-	300,333	148,431	759,663	607,427
Capital Grants and Contributions	2,262,050	2,708,273	1,294,879	1,096,917	418,363	379,232	116,920	332,659	776,055	167,928
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 14,834,128</b>	<b>\$ 16,612,462</b>	<b>\$ 13,665,787</b>	<b>\$ 13,697,346</b>	<b>\$ 13,883,325</b>	<b>\$ 14,808,681</b>	<b>\$ 15,120,214</b>	<b>\$ 14,586,316</b>	<b>\$ 15,291,892</b>	<b>\$ 16,113,825</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 25,323,298</b>	<b>\$ 26,023,842</b>	<b>\$ 22,156,718</b>	<b>\$ 24,879,459</b>	<b>\$ 23,402,735</b>	<b>\$ 29,111,718</b>	<b>\$ 24,619,195</b>	<b>\$ 24,966,751</b>	<b>\$ 28,384,182</b>	<b>\$ 29,625,845</b>
Net (Expenses) Revenues										
Governmental Activities	\$ (49,721,631)	\$ (68,884,283)	\$ (63,272,280)	\$ (66,287,155)	\$ (68,161,009)	\$ (56,446,339)	\$ (57,254,961)	\$ (57,758,768)	\$ (51,641,790)	\$ (49,544,165)
Business-Type Activities	2,318,367	3,438,087	869,796	640,813	637,822	1,308,777	167,099	86,180	249,267	215,348
<b>Total Primary Government Net Expenses</b>	<b>\$ (47,403,264)</b>	<b>\$ (65,446,196)</b>	<b>\$ (62,402,484)</b>	<b>\$ (65,646,342)</b>	<b>\$ (67,523,187)</b>	<b>\$ (55,137,562)</b>	<b>\$ (57,087,862)</b>	<b>\$ (57,672,588)</b>	<b>\$ (51,392,523)</b>	<b>\$ (49,328,817)</b>

Continued on Next Page

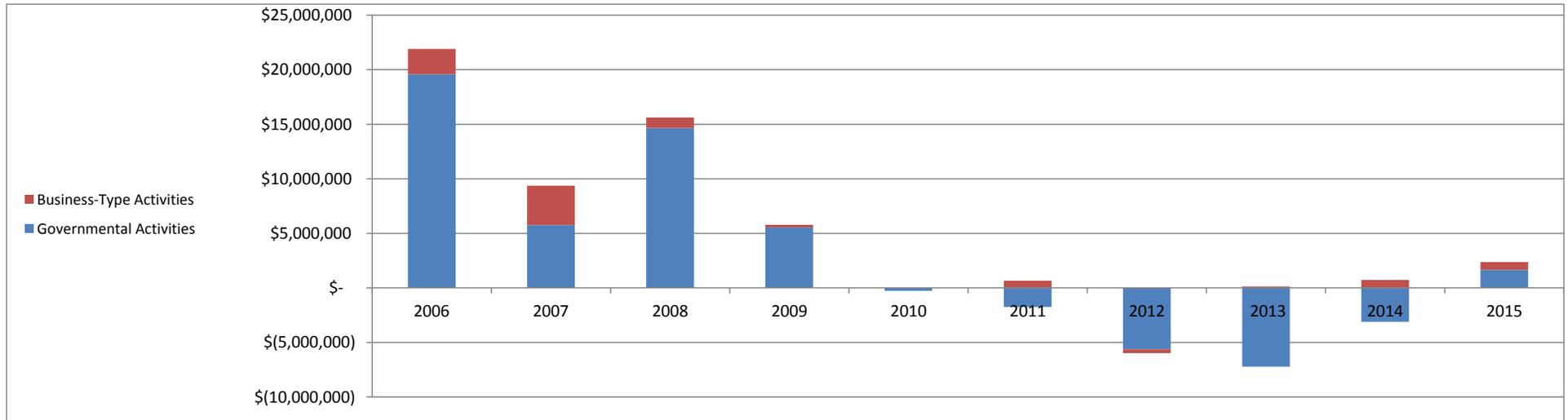
**Fayette County, Georgia  
Changes in Net Position**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 32,103,630	\$ 33,238,968	\$ 37,601,739	\$ 37,627,125	\$ 39,052,755	\$ 37,981,404	\$ 36,089,255	\$ 34,853,932	\$ 34,950,569	\$ 36,291,270
Sales Taxes	10,296,451	10,654,218	10,313,833	8,990,109	9,635,056	9,572,548	10,011,105	9,968,049	9,998,908	10,455,973
Other Taxes	2,874,588	2,966,242	960,291	1,041,225	1,224,064	1,311,971	3,247,599	3,205,096	3,228,724	3,333,818
Special Purpose Local Option Sales Taxes	16,676,100	17,711,729	20,462,347	15,103,230	12,254,894	160,567	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	2,880,454	3,146,118	2,883,703	5,957,783	3,654,944	1,580,095	-	-	-	-
Gain on Sale of Capital Assets	20,511	61,996	132,620	59,595	61,790	16,329	-	-	-	310,723
Unrestricted Investment Earnings	3,194,159	5,186,857	4,149,265	1,424,672	764,894	391,771	905,075	97,882	442,146	313,394
Miscellaneous	663,405	1,077,945	817,812	1,004,306	520,363	2,975,137	834,182	287,887	337,545	845,587
Transfers	589,904	607,179	596,940	627,976	714,057	706,057	539,650	-	(296,501)	(347,083)
<b>Total Governmental Activities</b>	<b>\$ 69,299,202</b>	<b>\$ 74,651,252</b>	<b>\$ 77,918,550</b>	<b>\$ 71,836,021</b>	<b>\$ 67,882,817</b>	<b>\$ 54,695,879</b>	<b>\$ 51,626,866</b>	<b>\$ 48,412,846</b>	<b>\$ 48,661,391</b>	<b>\$ 51,203,682</b>
Business-Type Activities:										
Gain on Sale of Capital Assets	\$ 12,582	\$ -	\$ 6,192	\$ 2,605	\$ 3,707	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted Investment Earnings	550,275	747,261	572,483	130,550	30,456	5,552	10,561	15,089	10,489	13,551
Miscellaneous	24,769	26,836	110,963	86,641	43,144	43,536	-	20,868	159,906	129,511
Transfers	(589,904)	(607,179)	(596,940)	(627,976)	(714,057)	(706,057)	(539,650)	-	296,501	347,083
<b>Total Business-Type Activities</b>	<b>\$ (2,278)</b>	<b>\$ 166,918</b>	<b>\$ 92,698</b>	<b>\$ (408,180)</b>	<b>\$ (636,750)</b>	<b>\$ (656,969)</b>	<b>\$ (529,089)</b>	<b>\$ 35,957</b>	<b>\$ 466,896</b>	<b>\$ 490,145</b>
<b>Total Primary Government</b>	<b>\$ 69,296,924</b>	<b>\$ 74,818,170</b>	<b>\$ 78,011,248</b>	<b>\$ 71,427,841</b>	<b>\$ 67,246,067</b>	<b>\$ 54,038,910</b>	<b>\$ 51,097,777</b>	<b>\$ 48,448,803</b>	<b>\$ 49,128,287</b>	<b>\$ 51,693,827</b>
<b>Changes in Net Position</b>										
Governmental Activities	\$ 19,577,571	\$ 5,766,969	\$ 14,646,270	\$ 5,548,866	\$ (278,192)	\$ (1,750,460)	\$ (5,628,095)	\$ (7,212,323)	\$ (3,105,387)	\$ 1,659,517
Business-Type Activities	2,316,089	3,605,005	962,494	232,633	1,072	651,808	(361,990)	122,137	716,163	705,493
<b>Total Primary Government</b>	<b>\$ 21,893,660</b>	<b>\$ 9,371,974</b>	<b>\$ 15,608,764</b>	<b>\$ 5,781,499</b>	<b>\$ (277,120)</b>	<b>\$ (1,098,652)</b>	<b>\$ (5,990,085)</b>	<b>\$ (7,090,186)</b>	<b>\$ (2,389,224)</b>	<b>\$ 2,365,010</b>
		(1)			(2)	(2)	(2)	(2)	(2)	

Note (1): Net Position increased significantly for FY 2006 due to it being the first year of collections for the Special Purpose Local Option Sales Tax (SPLOST) for road construction projects.

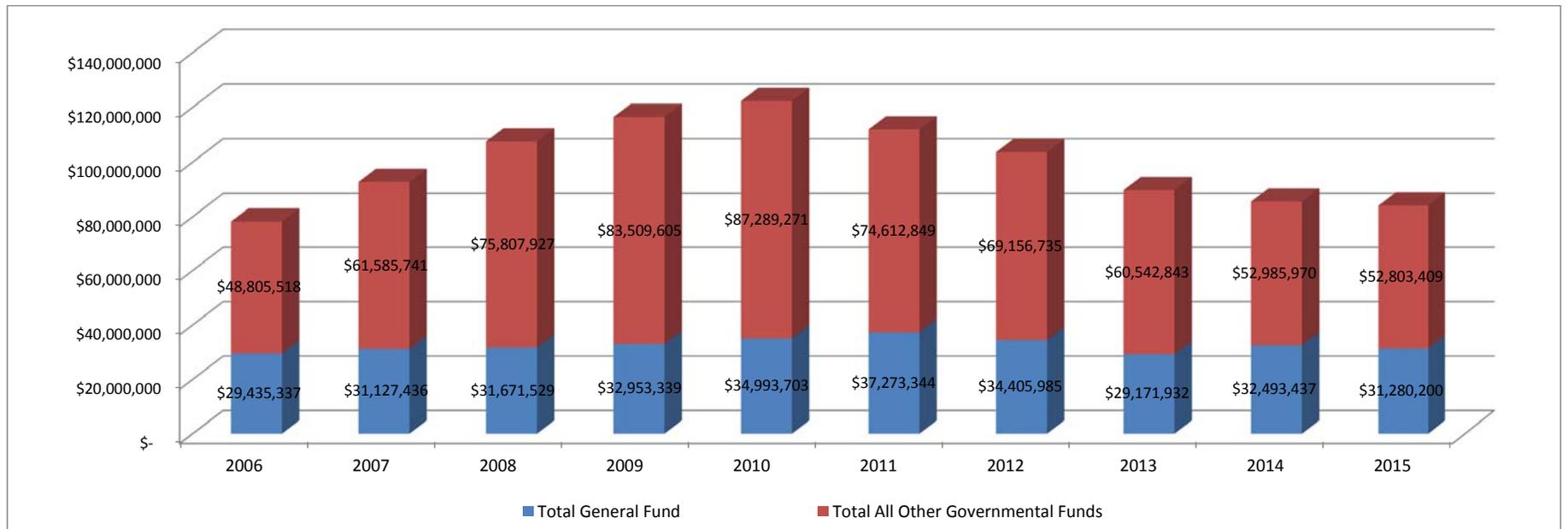
Note (2): The amount of the Change in Net Position for these fiscal years was impacted by the recession that began in 2008.

Changes in Net Position for Each Fiscal Year by Activity Type



**Fayette County, Georgia**  
Fund Balances of Governmental Funds  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund:</b>										
Nonspendable	\$ 122,625	\$ 377,156	\$ 88,642	\$ 987,514	\$ 205,194	\$ 260,351	\$ 246,522	\$ 148,647	\$ 202,728	\$ 132,671
Committed	14,402,177	15,385,577	14,057,471	13,661,922	13,365,551	13,633,544	11,300,171	10,971,735	10,786,253	12,527,406
Assigned	12,522,153	15,364,703	17,525,416	13,045,947	13,974,440	11,175,508	16,817,110	11,158,549	12,806,455	13,433,650
Unassigned	2,388,382	-	-	5,257,956	7,448,518	12,203,941	6,042,182	6,893,001	8,698,001	5,186,473
<b>Total General Fund</b>	<b>\$ 29,435,337</b>	<b>\$ 31,127,436</b>	<b>\$ 31,671,529</b>	<b>\$ 32,953,339</b>	<b>\$ 34,993,703</b>	<b>\$ 37,273,344</b>	<b>\$ 34,405,985</b>	<b>\$ 29,171,932</b>	<b>\$ 32,493,437</b>	<b>\$ 31,280,200</b>
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ -	\$ -	\$ 704	\$ 48,251	\$ 55,465	\$ 33,326	\$ 27,868	\$ -	\$ -	\$ -
Restricted	21,316,199	37,088,062	51,116,478	58,828,786	63,055,225	65,576,980	59,062,139	49,590,241	44,524,334	43,845,386
Committed	1,612,077	10,734	2,363,877	2,651,440	2,618,608	9,002,543	10,066,728	10,952,602	8,461,636	8,958,023
Assigned	25,877,242	24,486,945	22,326,868	21,981,128	21,559,973	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 48,805,518</b>	<b>\$ 61,585,741</b>	<b>\$ 75,807,927</b>	<b>\$ 83,509,605</b>	<b>\$ 87,289,271</b>	<b>\$ 74,612,849</b>	<b>\$ 69,156,735</b>	<b>\$ 60,542,843</b>	<b>\$ 52,985,970</b>	<b>\$ 52,803,409</b>
<b>Total Governmental Funds</b>	<b>\$ 78,240,855</b>	<b>\$ 92,713,177</b>	<b>\$ 107,479,456</b>	<b>\$ 116,462,944</b>	<b>\$ 122,282,974</b>	<b>\$ 111,886,193</b>	<b>\$ 103,562,720</b>	<b>\$ 89,714,775</b>	<b>\$ 85,479,407</b>	<b>\$ 84,083,609</b>



**Fayette County, Georgia**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

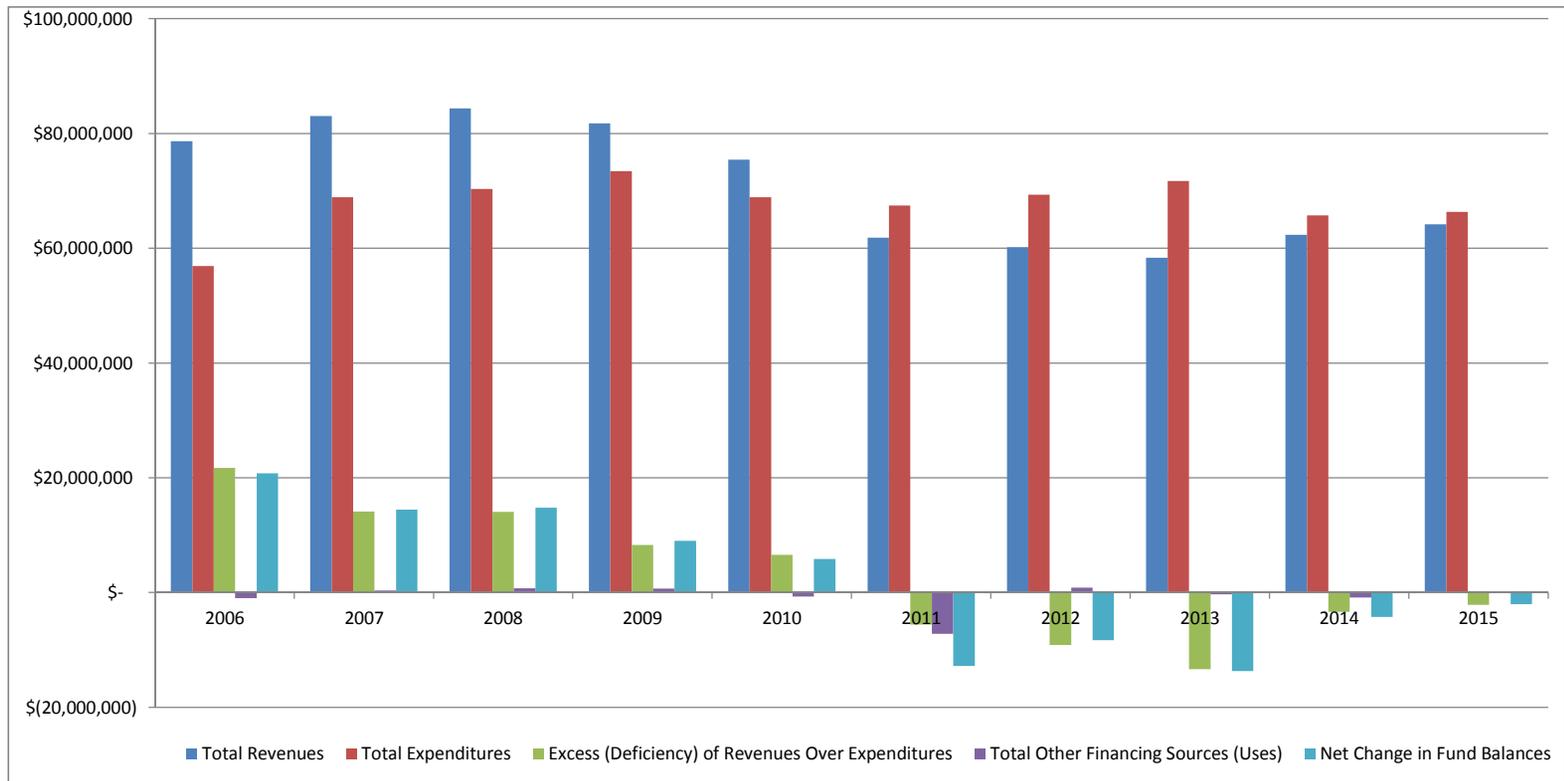
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues:</b>										
Taxes	\$ 62,441,421	\$ 65,113,592	\$ 68,867,738	\$ 62,761,689	\$ 62,166,769	\$ 48,092,665	\$ 49,791,543	\$ 47,566,643	\$ 48,749,712	\$ 50,235,661
Licenses and Permits	841,083	856,102	698,374	414,314	424,201	451,172	215,512	775,962	1,056,793	1,020,180
Intergovernmental	2,880,454	3,398,318	2,883,703	5,957,783	3,654,944	1,580,095	1,409,544	1,400,559	2,145,554	2,138,202
Charges for Services	5,070,445	5,192,711	4,729,453	5,134,297	5,142,649	5,570,018	5,488,362	5,849,162	7,366,996	7,419,591
Fines and Forfeitures	3,239,194	3,124,534	2,757,345	5,293,648	3,142,726	4,461,473	2,273,165	2,284,648	2,225,607	2,623,171
Investment Income	2,697,022	4,452,242	3,688,800	1,236,042	334,924	510,585	468,787	115,546	414,807	436,684
Contributions	808,590	896,329	20,582	23,148	520,363	1,138,077	17,715	13,275	108,510	30,941
Miscellaneous	658,057	5,600	733,744	912,629	31,935	27,767	499,541	326,369	247,779	287,643
Total Revenues	<u>\$ 78,636,266</u>	<u>\$ 83,039,428</u>	<u>\$ 84,379,739</u>	<u>\$ 81,733,550</u>	<u>\$ 75,418,511</u>	<u>\$ 61,831,852</u>	<u>\$ 60,164,169</u>	<u>\$ 58,332,164</u>	<u>\$ 62,315,758</u>	<u>\$ 64,192,073</u>
<b>Expenditures:</b>										
General Government	\$ 7,942,522	\$ 8,037,744	\$ 8,165,598	\$ 8,424,786	\$ 7,689,333	\$ 8,038,927	\$ 8,624,978	\$ 7,957,441	\$ 7,906,318	\$ 8,474,229
Judicial System	4,619,714	5,370,540	5,674,771	5,808,638	5,552,734	5,632,112	5,483,839	5,761,405	5,387,294	5,427,604
Public Safety	26,516,676	29,628,121	30,946,091	32,824,740	31,436,915	32,862,460	35,178,886	35,707,478	32,705,193	33,161,474
Public Works	5,187,982	4,781,461	4,657,639	4,000,116	3,631,377	5,356,961	4,648,297	4,117,385	4,318,927	5,450,375
Health and Welfare	689,879	705,001	719,934	726,382	695,438	761,169	759,057	754,060	822,881	820,891
Culture and Recreation	1,768,694	1,902,937	2,070,906	2,146,860	1,980,568	1,917,872	2,019,104	2,010,788	1,991,122	2,078,287
Housing and Development	1,438,092	1,552,728	1,429,689	1,405,259	1,242,377	1,268,371	1,317,126	1,278,862	1,196,085	1,072,343
Capital Outlay	3,903,023	12,090,140	8,654,396	10,278,522	9,622,634	9,399,329	7,461,104	8,152,911	7,566,894	6,005,663
Intergovernmental	-	-	3,174,938	2,975,587	2,183,858	23,752	-	2,133,599	976,465	586,714
Debt Service:										
Principal Retirement	1,849,800	1,937,428	2,031,612	2,132,423	2,239,941	864,247	1,855,425	2,108,566	1,220,000	1,710,000
Interest Expense	2,989,997	2,899,990	2,804,831	2,704,186	2,597,403	1,306,503	1,968,539	1,714,752	1,612,406	1,553,637
Paying Agent Fees	2,225	1,671	1,546	1,436	1,364	450	-	-	-	-
Total Expenditures	<u>\$ 56,908,604</u>	<u>\$ 68,907,761</u>	<u>\$ 70,331,951</u>	<u>\$ 73,428,935</u>	<u>\$ 68,873,942</u>	<u>\$ 67,432,153</u>	<u>\$ 69,316,355</u>	<u>\$ 71,697,247</u>	<u>\$ 65,703,585</u>	<u>\$ 66,341,217</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 21,727,662</u>	<u>\$ 14,131,667</u>	<u>\$ 14,047,788</u>	<u>\$ 8,304,615</u>	<u>\$ 6,544,569</u>	<u>\$ (5,600,301)</u>	<u>\$ (9,152,186)</u>	<u>\$ (13,365,083)</u>	<u>\$ (3,387,827)</u>	<u>\$ (2,149,144)</u>
<b>Other Financing Sources (Uses):</b>										
Proceeds from Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	6,887,887	6,873,563	11,857,799	7,989,541	5,872,157	4,781,077	5,108,105	3,239,917	351,900	5,487,092
Transfers Out	(7,879,484)	(6,594,904)	(11,271,927)	(7,370,264)	(6,658,486)	(4,148,943)	(4,568,455)	(3,592,117)	(1,205,760)	(6,735,802)
Refunded Bonds Issued	-	-	-	-	-	40,300,000	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	1,509,351	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-	-	(49,637,039)	-	-	-	-
Proceeds from Sale of Capital Assets	20,511	61,996	132,620	59,595	61,790	16,329	289,063	32,353	6,319	1,363,300
Total Other Financing Sources (Uses)	<u>\$ (971,086)</u>	<u>\$ 340,655</u>	<u>\$ 718,492</u>	<u>\$ 678,872</u>	<u>\$ (724,539)</u>	<u>\$ (7,179,225)</u>	<u>\$ 828,713</u>	<u>\$ (319,847)</u>	<u>\$ (847,541)</u>	<u>\$ 114,590</u>
Net Change in Fund Balances	<u>\$ 20,756,576</u>	<u>\$ 14,472,322</u>	<u>\$ 14,766,280</u>	<u>\$ 8,983,487</u>	<u>\$ 5,820,030</u>	<u>\$ (12,779,526)</u>	<u>\$ (8,323,473)</u>	<u>\$ (13,684,930)</u>	<u>\$ (4,235,368)</u>	<u>\$ (2,034,554)</u>
Debt Service as a Percentage of Noncapital Expenditures	10.1%	9.3%	9.0%	8.7%	9.3%	3.9%	6.6%	6.6%	5.0%	5.6%

Note: The large increase in Tax revenues beginning in FY 2006 and ending in FY 2010 was due to the five year life span of the Special Purpose Local Option Sales Tax (SPLOST) for roads.

Note: Debt Service as a Percentage of Noncapital Expenditures is calculated using Capital Outlay

**Fayette County, Georgia**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Revenues	\$ 78,636,266	\$ 83,039,428	\$ 84,379,739	\$ 81,733,550	\$ 75,418,511	\$ 61,831,852	\$ 60,164,169	\$ 58,332,164	\$ 62,315,758	\$ 64,192,073
Total Expenditures	<u>56,908,604</u>	<u>68,907,761</u>	<u>70,331,951</u>	<u>73,428,935</u>	<u>68,873,942</u>	<u>67,432,153</u>	<u>69,316,355</u>	<u>71,697,247</u>	<u>65,703,585</u>	<u>66,341,217</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,727,662	\$ 14,131,667	\$ 14,047,788	\$ 8,304,615	\$ 6,544,569	\$ (5,600,301)	\$ (9,152,186)	\$ (13,365,083)	\$ (3,387,827)	\$ (2,149,144)
Total Other Financing Sources (Uses)	<u>(971,086)</u>	<u>340,655</u>	<u>718,492</u>	<u>678,872</u>	<u>(724,539)</u>	<u>(7,179,225)</u>	<u>828,713</u>	<u>(319,847)</u>	<u>(847,541)</u>	<u>114,590</u>
Net Change in Fund Balances	<u>\$ 20,756,576</u>	<u>\$ 14,472,322</u>	<u>\$ 14,766,280</u>	<u>\$ 8,983,487</u>	<u>\$ 5,820,030</u>	<u>\$ (12,779,526)</u>	<u>\$ (8,323,473)</u>	<u>\$ (13,684,930)</u>	<u>\$ (4,235,368)</u>	<u>\$ (2,034,554)</u>



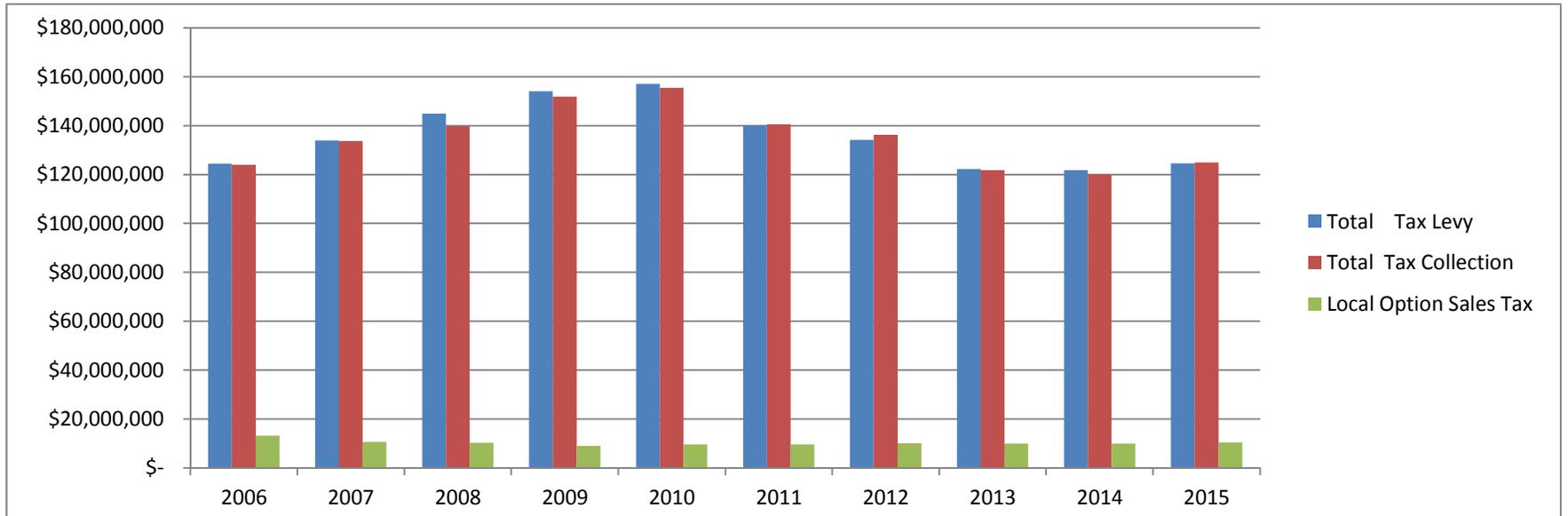
Note: The large increase in Net Position for FY 2006 and large decrease in FY 2011 are primarily the result of the Special Purpose Local Option Sales collections and expenditures.

**Fayette County, Georgia**  
**Property Tax Levies, Collections and Local Option Sales Tax Proceeds**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Year Tax Collections	Percentage of Levy Collected	Collection of Prior Years Property Taxes	Total Tax Collection	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy	Local Option Sales Tax Proceeds (1)
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
2012	134,178,334	131,714,621	98.16%	4,566,560	136,281,181	101.57%	1,706,442	1.27%	10,011,105
2013	122,284,367	119,310,658	97.57%	2,536,811	121,847,469	99.64%	4,140,486	3.39%	9,968,049
2014	121,777,781	117,737,859	96.68%	2,368,601	120,106,460	98.63%	1,542,230	1.27%	9,936,255
2015	124,530,100	122,373,029	98.27%	2,535,483	124,908,512	100.30%	993,462	0.80%	10,435,200

(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.

(2) Outstanding Delinquent Taxes are reported on levy year from FY 2014 forward.

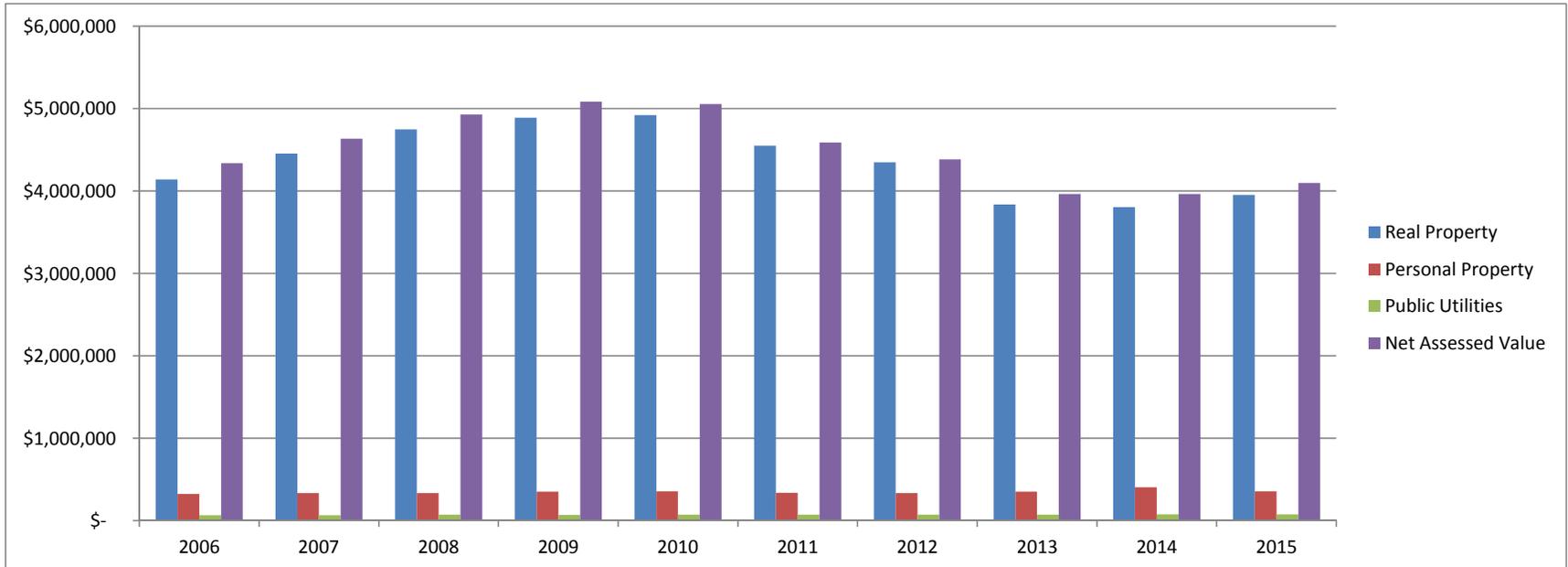


**Fayette County, Georgia**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year	Real Property		Personal Property		Privately Owned Public Utilities		Total Property		Freeport-Homestead Exemption	Net Assessed Value	Total Direct Tax Rate	Ratio of Total Assessed Value to Total True Value
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value				
2006	4,139,511	10,348,778	322,690	806,725	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%
2012	4,347,689	10,869,222	333,903	834,759	72,840	182,101	4,754,432	11,886,082	371,400	4,383,032	30.66	40.00%
2013	3,836,232	9,590,580	350,356	875,890	72,395	180,988	4,258,983	10,647,458	295,313	3,963,670	30.98	40.00%
2014	3,804,354	9,510,886	402,228	1,005,570	74,508	186,270	4,281,090	10,702,726	317,359	3,963,732	31.05	40.00%
2015	3,952,260	9,880,650	355,426	888,565	74,580	186,450	4,382,266	10,955,665	286,482	4,095,784	30.89	40.00%

Note: Property is reassessed annually as of January 1. The county assesses property at 40 percent of the fair market value for all real and personal property.

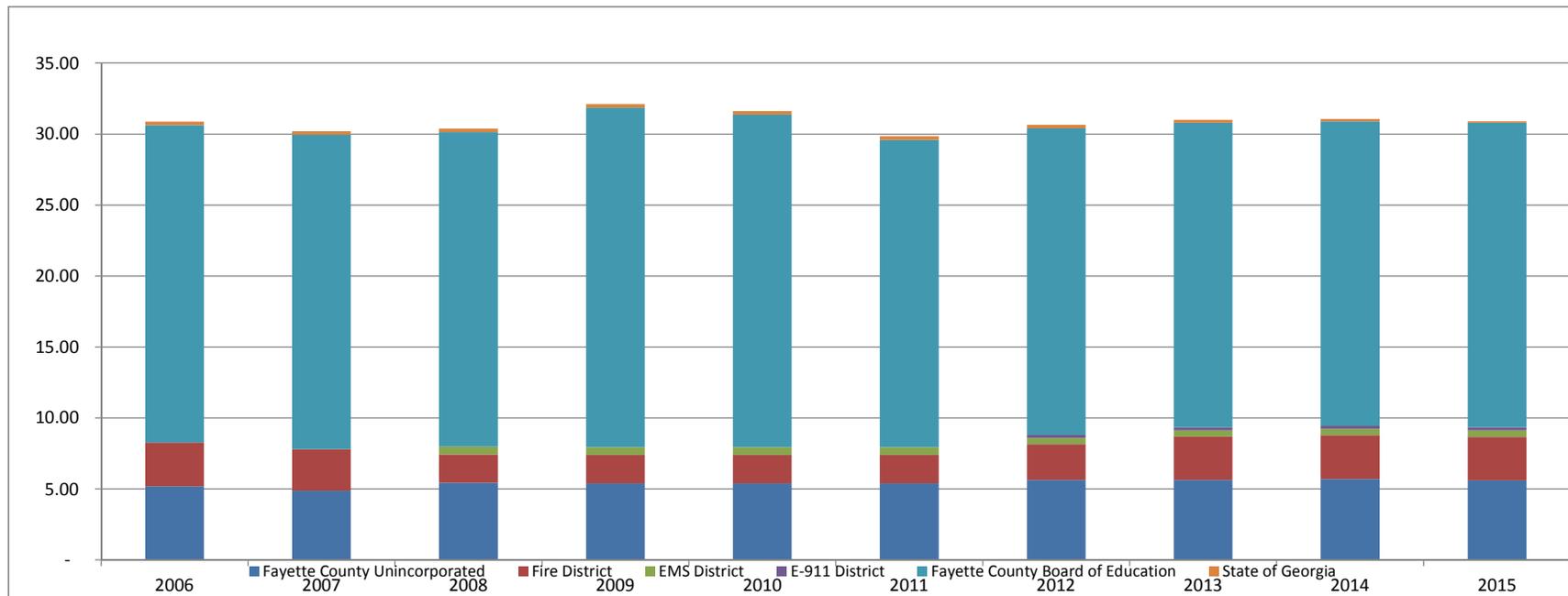
**Assessed Value Information**



**Fayette County, Georgia**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(millage rate per \$1,000 of assessed value)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Primary Government:										
Fayette County Unincorporated	5.19	4.89	5.43	5.40	5.40	5.40	5.65	5.65	5.71	5.60
Fire District	3.09	2.91	2.00	1.99	1.99	1.99	2.50	3.03	3.07	3.07
Emergency Medical Services (EMS) District	-	-	0.55	0.55	0.55	0.55	0.45	0.45	0.46	0.46
E-911 Communications District	-	-	-	-	-	-	0.21	0.21	0.21	0.21
<b>Total Primary Government</b>	<b>8.28</b>	<b>7.79</b>	<b>7.98</b>	<b>7.94</b>	<b>7.94</b>	<b>7.94</b>	<b>8.81</b>	<b>9.33</b>	<b>9.45</b>	<b>9.34</b>
Fayette County Board of Education	22.35	22.15	22.15	23.92	23.42	21.65	21.60	21.45	21.45	21.45
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10
<b>Total</b>	<b>30.88</b>	<b>30.19</b>	<b>30.38</b>	<b>32.11</b>	<b>31.61</b>	<b>29.84</b>	<b>30.66</b>	<b>30.98</b>	<b>31.05</b>	<b>30.89</b>

Note: Due to taxation equity issues, the EMS and E-911 Tax Districts were created during the ten year span. Previously, they had been part of the Unincorporated millage rate.



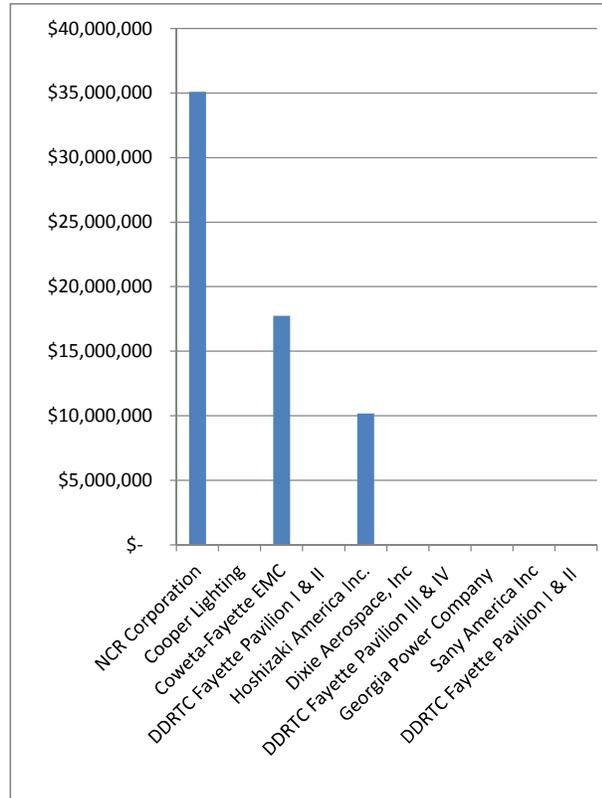
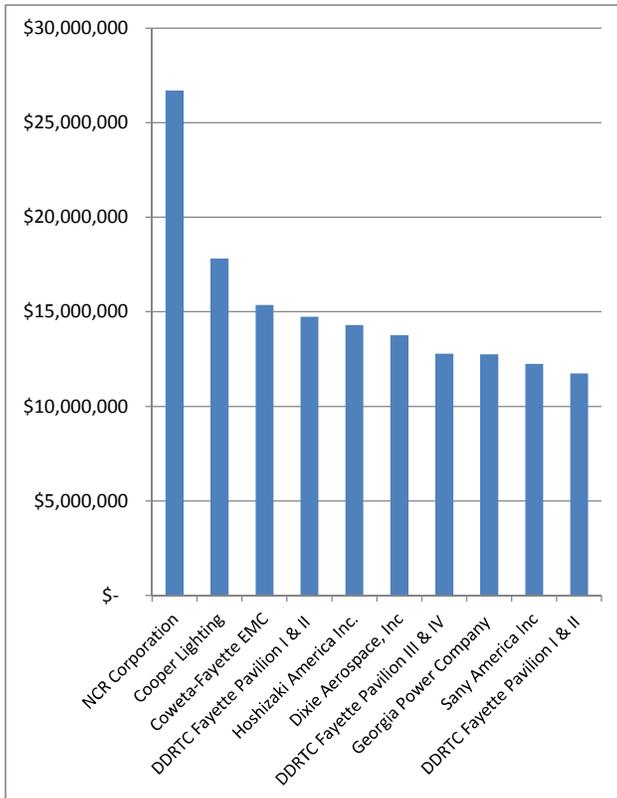
**Fayette County, Georgia  
Principal Taxpayers  
Current Fiscal Year and Nine Years Ago**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
NCR Corporation	\$ 26,701,675	1	0.61%	\$ 35,085,190	1	0.78%
Cooper Lighting	17,814,851	2	0.41%	-	4	0.00%
Coweta-Fayette EMC	15,363,361	3	0.35%	17,746,597		0.39%
(1) DDRTC Fayette Pavilion I & II	14,736,312	4	0.34%	-		0.00%
Hoshizaki America Inc.	14,293,577	5	0.33%	10,164,987	7	0.22%
Dixie Aerospace, Inc	13,762,298	6	0.31%	-		0.00%
DDRTC Fayette Pavilion III & IV	12,794,056	7	0.29%	-		0.00%
Georgia Power Company	12,745,015	8	0.29%	-		0.00%
Sany America Inc	12,245,604	9	0.28%	-	6	0.00%
(1) DDRTC Fayette Pavilion I & II	11,743,628	10	0.27%	-		0.00%
(1) Fourth Quarter Properties	-		N/A	-		0.00%
Matsushita Communication Corp	-		N/A	25,604,387	3	0.57%
(2) Photocircuits Corporation	-		N/A	-	9	0.00%
Atlanta Gas Light	-		N/A	11,075,603	8	0.24%
Inland Southeast Fayette I & II	-		N/A	30,711,200	2	0.68%
Inland Southeast Fayette III	-		N/A	16,860,864	5	0.37%
Summit Properties	-		N/A	9,865,200	10	0.22%
AMLI Residential Prop	-		N/A	-		0.00%
Sub-Total Top Ten Taxpayers	\$ 152,200,377		3.47%	\$ 157,114,028		3.47%
Total Other Taxpayers	4,230,065,623		96.53%	4,369,843,972		96.53%
Total Assessed Value - All Taxpayers	\$ 4,382,266,000		100.00%	\$ 4,526,958,000		100.00%

Source: Fayette County Tax Commissioner

Note (1): DDRTC Fayette Pavilion is successor owner of property previously in the name of Fourth Quarter Properties

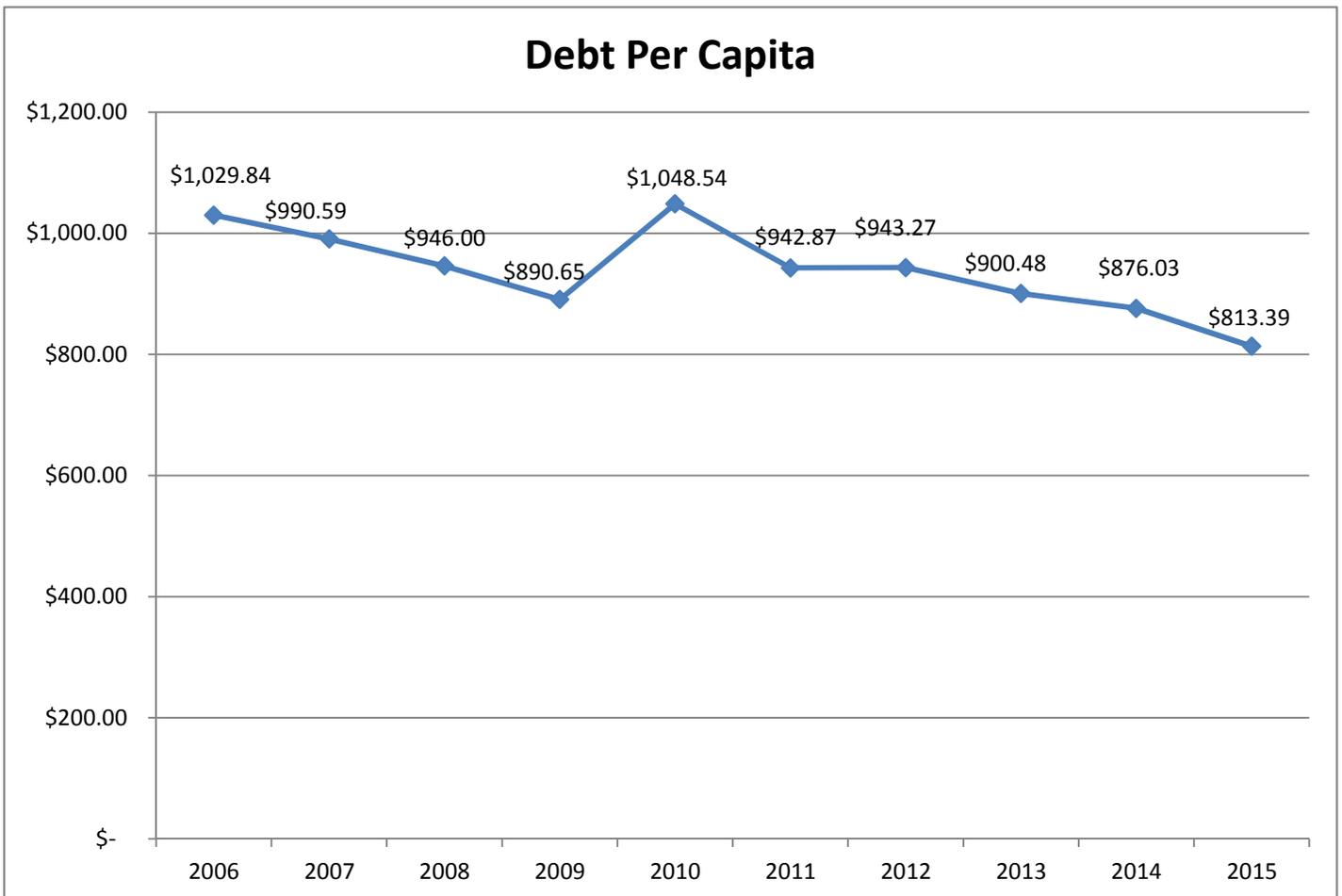
Note (2): Photocircuits Corporation no longer has its plant operations in the County



**FAYETTE COUNTY, GEORGIA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita
	Revenue Bonds	Certificates of Participation	Capital Lease Obligations	Water Revenue Bonds			
2006	53,255,000	5,000,000	5,799,642	42,740,000	106,794,642	2.58%	1,029.84
2007	52,035,000	5,000,000	5,082,214	41,150,000	103,267,214	2.40%	990.59
2008	50,755,000	5,000,000	4,463,309	39,490,000	99,708,309	2.34%	946.00
2009	49,410,000	3,981,203	3,672,183	37,760,000	94,823,386	2.11%	890.65
2010	47,995,000	3,220,000	2,786,133	57,970,000	111,971,133	2.31%	1,048.54
2011	40,300,000	3,220,000	1,878,632	55,080,000	100,478,632	2.18%	942.87
2012	39,350,000	1,331,000	948,566	60,040,000	101,669,566	2.12%	943.27
2013	36,518,788	872,000	-	59,432,952	96,823,740	1.90%	900.48
2014	38,241,004	872,000	-	55,817,664	94,930,668	1.81%	876.03
2015	36,451,555	601,000	-	52,147,368	89,199,923	1.52%	813.39

(1) Source: The Bureau of Economic Analysis



Note: Increase in Per Capita Debt amount for FY 2010 was due to revenue bonds issued for Lake McIntosh.

**Fayette County, Georgia**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2015**

<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)	\$ 57,054,928	100%	\$ 57,054,928
Peachtree City (b)	2,685,000	100%	<u>2,685,000</u>
Subtotal for Overlapping Debt			\$ 59,739,928
Capital Leases	601,000	100%	\$ 601,000
Fayette County Public Facilities Authority	36,451,555	100%	<u>36,451,555</u>
Subtotal for Direct Debt			<u>37,052,555</u>
Total Direct and Overlapping Debt			<u>\$ 96,792,483</u>

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

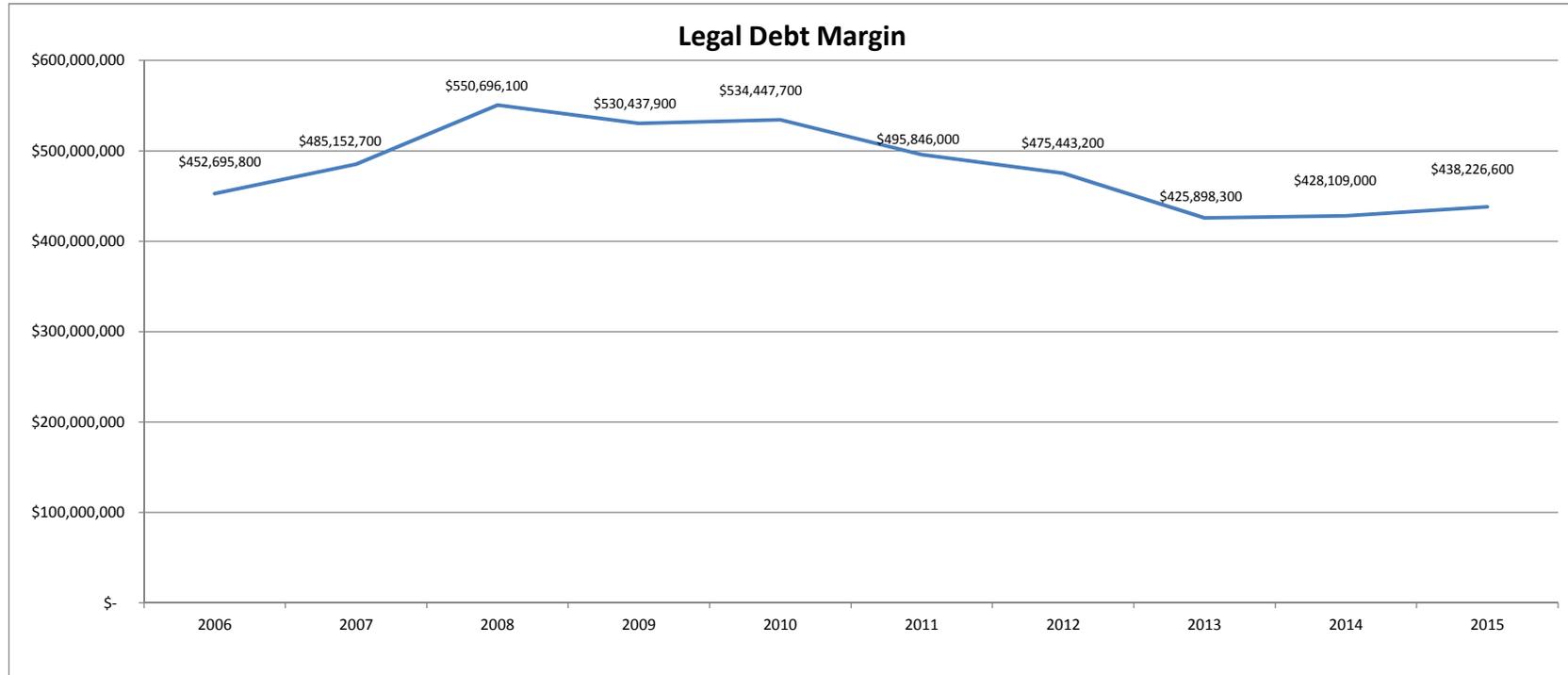
(b) Per the Peachtree City FY2014 CAFR online.

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  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legal Debt Margin Calculation:										
Net Assessed Value of Property (amounts in \$1,000 increments)	\$ 4,526,958	\$ 4,851,527	\$ 5,506,961	\$ 5,304,379	\$ 5,344,477	\$ 4,958,460	\$ 4,754,432	\$ 4,258,983	\$ 4,281,090	\$ 4,382,266
Debt Limit (10% of Net Assessed Value) (amounts in \$1 increments)	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000	\$ 438,226,600
Less: Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Add: Debt Service Funds Available	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000	\$ 438,226,600
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**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.



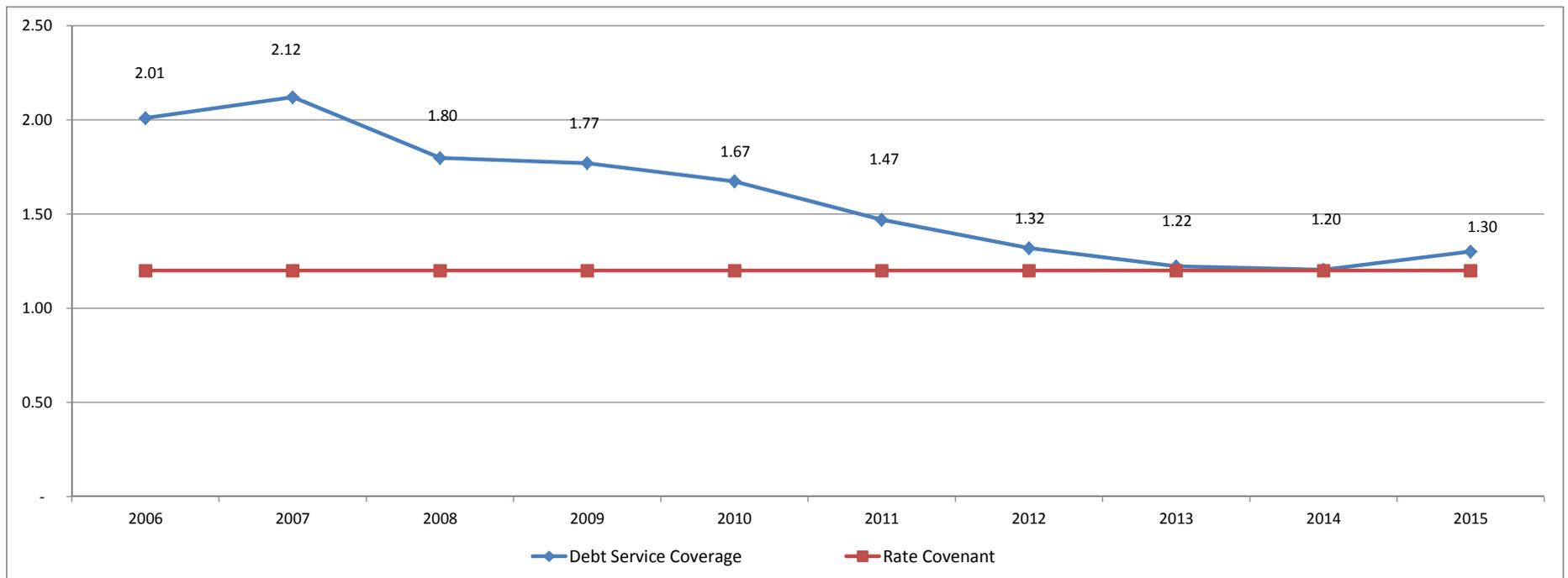
**Fayette County, Georgia  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

	For Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross Revenues (1)	\$ 12,430,665	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,296	\$ 15,271,737
Reasonable and Necessary Operating Costs (2)	5,095,451	5,814,275	5,730,442	6,045,049	6,060,856	6,466,224	7,394,893	6,856,700	6,904,137	8,006,080
Net Revenue Available for Debt Service (3)	7,335,214	7,728,714	6,555,086	6,446,258	7,283,398	7,822,843	7,175,973	7,133,189	6,771,159	7,265,657
Debt Service Payments	3,650,154	3,644,350	3,645,225	3,641,311	4,351,288	5,320,501	5,440,539	5,833,311	5,622,275	5,583,888
Coverage	2.01	2.12	1.80	1.77	1.67	1.47	1.32	1.22	1.20	1.30

(1) "Gross Revenues" represents Operating Revenues for the Water System which excludes interest income and tap fees.

(2) "Reasonable and Necessary Operating Costs" represents the Operating Expenses of the Water System less the non-cash items of depreciation and amortization expenses.

(3) Represents net revenues before depreciation and non-operating revenues and expenses.



**Fayette County, Georgia  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) Median Age	(4) School Enrollment*	(5) Unemployment Rate
2006	103,700	\$ 4,136,000,000	\$ 39,884	39	22,338	4.3%
2007	104,248	4,259,600,000	40,860	40	22,291	4.0%
2008	105,400	4,266,407,000	40,691	40	22,367	5.4%
2009	106,465	4,484,620,000	42,384	40	22,108	5.7%
2010	106,788	4,838,366,000	45,474	42	22,047	7.9%
2011	106,567	4,614,827,000	43,215	42	21,683	9.0%
2012	107,784	4,792,110,000	44,460	43	21,120	7.3%
2013	107,524	5,097,304,000	47,406	43	20,506	7.0%
2014	108,365	5,246,261,000	48,413	42	20,301	7.1%
2015	109,664	5,872,326,000	53,548	43	20,243	6.0%

(1) Source: United States Census

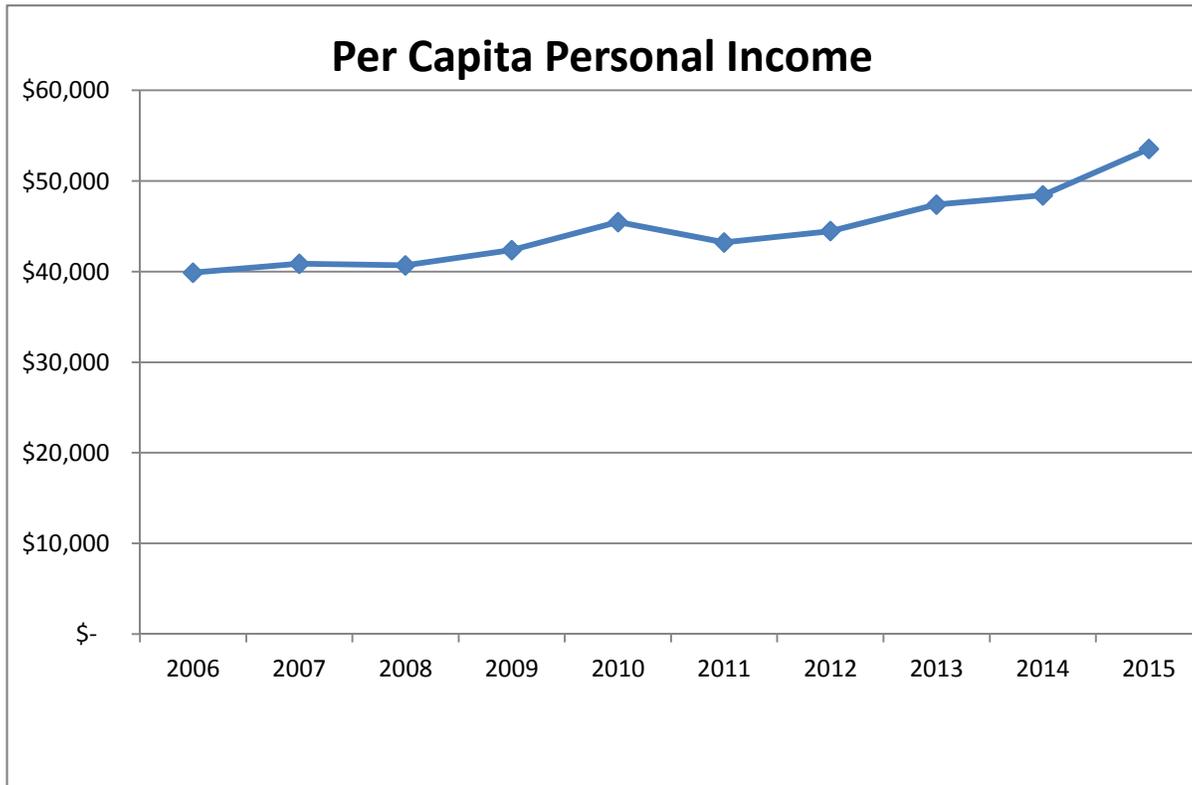
(2) Source: The Bureau of Economic Analysis

(3) Source: United States Census

(4) Source: Fayette County Board of Education

(5) Source: Georgia Department of Labor

\*School enrollment reported for 2006, 2007 and 2010 was corrected based on Fayette County Board of Education CAFR



**Fayette County, Georgia  
Principal Employers  
Current Year and Nine Years Ago**

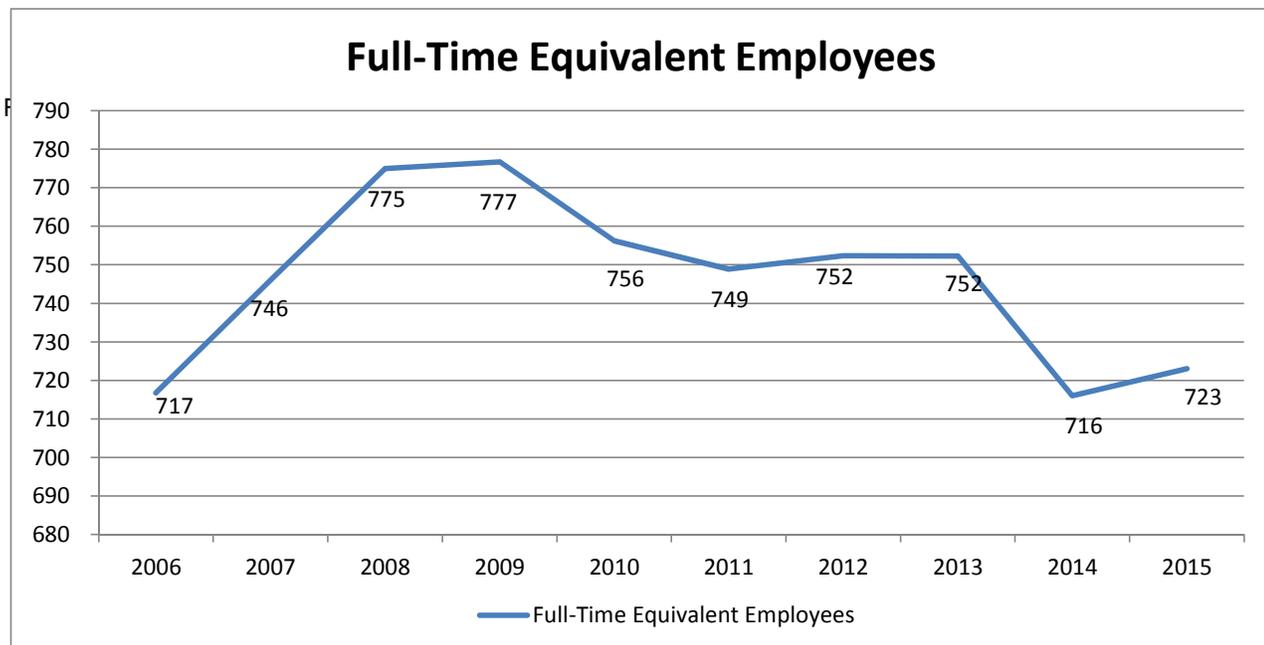
Private Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Piedmont Fayette Hospital	2,000	1	4.08%	930	2	3.15%
NCR	1,300	2	2.65%	550	4	1.86%
Cooper Lighting	800	3	1.63%	650	3	2.20%
Panasonic Automotive Systems Co	725	4	1.48%	1,687	1	5.71%
Walmart SuperCenter - Peachtree City	427	5	0.87%			
Walmart - Fayetteville	400	6	0.82%			
Ply Gem Industries Inc/Windows Division	300	7	0.61%			
Hoshizaki America Inc	275	8	0.56%	425	5	1.44%
Kindred Transitional Care & Rehab	210	9	0.43%			
Publix - Highway 74 S	200	10	0.41%			
World Airways				275	6	0.93%
TDK Components				210	7	0.71%
APAC - Georgia				200	8	0.68%
FAA Tracon				190	9	0.64%
Alenco, Inc.				181	10	0.61%
<b>Total</b>	<b>6,637</b>		<b>13.55%</b>	<b>5,298</b>		<b>17.93%</b>

Source: Fayette County Development Authority

**Fayette County, Georgia**  
**Full-Time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	For Fiscal Year Ended June 30,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	113	120	125	124	113	111	112	112	104	106
Judicial System	54	58	58	58	56	56	59	59	56	56
Public Safety:										
Animal Control	6	6	6	7	7	7	5	5	5	6
Coroner	3	3	3	3	3	3	3	3	3	3
Emergency 911	30	36	36	36	36	36	36	36	36	36
Emergency Services	41	45	47	47	47	47	47	43	43	37
Fire	97	99	105	105	105	105	105	105	99	105
Marshal	10	12	12	12	11	11	11	11	-	-
Emergency Management	-	-	-	-	-	-	-	4	3	3
Sheriff	216	217	230	230	230	230	230	231	227	227
Total Public Safety	403	418	439	439	438	438	437	438	416	417
Public Works:										
Roads	47	49	50	51	48	45	45	45	43	43
Water System	62	62	62	63	62	61	61	61	61	63
Stormwater	-	-	-	-	5	5	5	5	5	5
Solid Waste Management	1	1	1	1	1	1	1	1	1	1
Total Public Works	110	112	113	115	116	112	112	112	110	112
Housing and Development	20	20	21	21	14	14	14	13	12	14
Culture and Recreation	17	18	19	19	18	17	18	18	18	18
<b>Total</b>	<b>717</b>	<b>746</b>	<b>775</b>	<b>777</b>	<b>756</b>	<b>749</b>	<b>752</b>	<b>752</b>	<b>716</b>	<b>723</b>

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



**Fayette County, Georgia**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<b><u>FUNCTION</u></b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Government:</b>										
Number of Registered Voters	70,000	71,000	71,000	75,967	75,448	76,980	79,710	73,572	80,001	83,295
Number of Parcels Assessed	40,348	41,709	42,000	42,479	42,479	42,479	42,134	42,179	42,325	42,328
<b>Judicial System:</b>										
State Cases	n/a	1,120	1,875	2,341	2,294	2,325	1,805	3,354	2,101	4,017
Superior Cases	n/a	903	875	872	887	900	513	3,347	3,981	5,133
Magistrate Cases	n/a	4,759	4,481	4,550						
Firearms Licenses	1,256	838	893	937	1,342	1,472	1,903	2,936	2,301	2,527
Juvenile Cases Filed	2,100	2,007	2,500	1,961	1,379	1,379	1,108	1,105	1,022	1,229
Marriage Licenses	1,100	633	697	641	617	619	600	656	617	587
Real Estate Instruments Filed	n/a	33,193	30,500	18,449	18,800	18,800	16,236	19,942	21,214	15,525
<b>Public Safety:</b>										
Average Daily Jail Population	220	228	228	261	256	256	292	255	246	263
Fire/EMS Dispatch	11,589	n/a	11,970	12,010	12,797	13,441	12,954	11,240	14,077	14,997
Law Enforcement Dispatch	46,737	n/a	n/a	n/a	45,554	45,950	46,236	46,841	46,520	58,504
<b>Public Works:</b>										
Number of Vehicles Serviced	196	198	194	340	484	336	348	354	371	387
Street Maintenance (Miles)	478	510	601	687	576	529	528	529	530	520
Water Production (MGD))	9.1	7.9	8.9	8.5	7.8	7.8	8.7	8.4	7.9	8.1
Water System Customers	26,945	26,935	27,800	27,234	27,493	27,698	27,881	28,002	28,927	29,263
<b>Housing and Development:</b>										
Building Permits Issued	800	743	750	292	632	632	713	186	185	224
<b>Culture and Recreation</b>										
Monthly Circulation of Library Materials	27,083	27,083	26,867	26,832	55,181	42,400	53,601	27,681	35,306	28,525
Number of Programs and Classes Offered	350	327	315	398	497	497	549	619	802	581
Reference Questions Answered Monthly	8,083	8,083	8,167	8,145	10,417	11,436	2,594	2,925	2,984	3,266

Source: Fayette County Budget Document  
Source: Department statistical data

**Fayette County, Georgia  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

<b>Function</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government:										
County Office Buildings	1	1	1	1	1	1	1	1	1	1
Senior Citizens Center	-	-	1	1	1	1	1	1	1	1
Judicial System:										
Justice Center	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Patrol Vehicles	160	160	155	162	162	158	158	160	160	160
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works:										
Miles of County Maintained Roads	478.2	510.0	601.6	687.0	576.0	529.0	528.0	529.2	530.0	520.5
Miles of Road Resurfacing	33.2	33.2	55.4	26.2	26.2	25.0	33.2	14.1	12.9	16.1
Culture and Recreation										
Park Acreage	366	366	366	366	366	366	366	455	455	455
Parks	6	6	6	6	6	6	6	7	7	7
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

Source: Fayette County Fixed Asset Records and Department Heads

**Fayette County, Georgia**  
**Schedule of Insurance Coverages**  
**June 30, 2015**

<u>Property Coverages</u>	<u>Amount In Force</u>
Property (1)	\$ 142,113,772
Other Equipment	17,112,313
Flood and Earthquake	5,000,000

Note (1): Includes real and personal property,  
and boiler and machinery coverage.

<u>Liability Coverages</u>	<u>Liability Limits</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
General Liability	\$ 2,000,000	\$ 2,000,000
Automobile Liability	1,000,000	None
Law Enforcement Liability	2,000,000	2,000,000
Public Officials' Liability	2,000,000	2,000,000

Other Coverages

The County requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction activities. Surety bonds have to be issued by surety firms listed on the U.S. Treasury approved list and builders' risk insurance has to be in the amount of the contract sum.

Self-Insured Risks

The County is partially self-insured for certain risks such as medical and workers' compensation claims. Additional information on the management of these risks is contained in the Notes to the Financial Statements.