Fayette County
GEORGIA
WATER SYSTEM

Where Quality Is A Lifestyle

FAYETTE COUNTY WATER SYSTEM

AN ENTERPRISE FUND OF
FAYETTE COUNTY, GA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2009

Fayette County
GEORGIA
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AN ENTERPRISE FUND OF
FAYETTE COUNTY, GA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2009

Prepared by

County Finance Office

Fayette County
GEORGIA
WATER SYSTEM

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

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LISTING OF PRINCIPAL OFFICERS

ORGANIZATIONAL CHART

Fayette County, Georgia
Water System

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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Fayette County
GEORGIA

Where Quality Is A Lifestyle

December 30, 2009

Honorable Jack Smith, Chairman,
Members of the Board of Commissioners
and the Citizens of Fayette County, Georgia

The Comprehensive Annual Financial Report of Fayette County Water System, an enterprise fund of Fayette County, Georgia for the fiscal year ended June 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Water System. All disclosures necessary to enable the reader to gain an understanding of the System financial activities have been included.

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

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

Reporting Entity

This report includes the accounts of all the Fayette County Water System's operations. The Water System, established in 1965, is an enterprise fund of Fayette County and serves approximately

27,284 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. The Water System also wholesales water to the City of Fayetteville and the Town of Brooks pursuant to wholesale water contracts, which expire in 2034 and 2024, respectively. The Water System Director is responsible for the day-to-day operations of the System.

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

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

There is also a Water Committee composed of six members who meet twice monthly to consider matters relevant to the Water System's operations. Membership includes two citizen appointed by the Board of Commissioners, the County Administrator, the County Planner, and the Water System Director. The Water System's consulting engineer is a non-voting member. This Committee recommends projects and actions to the Board of Commissioners. The Water Committee has no authority to implement policy or authorize expenditures.

Water System Facilities

The Crosstown Water Treatment Plant is permitted for 13.5 million gallons per day. The Water System has six sources of raw water for treatment. Water for this plant is drawn from Lake Peachtree – a 250-acre lake located within Peachtree City. The County has an agreement with Peachtree City (continuing through 2034) which allows the Water System to withdraw up to 4.0 million gallons per day if the mean water level is maintained. Lake Kedron (a 230-acre reservoir developed as raw water storage) provides additional water storage and its outflow is regulated to help maintain the water level in Lake Peachtree. The third water source of raw water is Line Creek. The Water System is able to draw up to 2 million gallons per day from this source to be processed at the Crosstown Water Treatment Plant. The fourth source is Whitewater Creek at Starr's Mill. This permit is for 2 million gallons per day. The fifth source is Lake Horton (a 790-acre reservoir) with a permit to withdraw 14 million gallons per day. The sixth source is the Flint River with a permit to withdraw 16 million gallons a day (when the flow exceeds 30 cubic feet per second) to store in Lake Horton. The South Fayette Water Plant is permitted for 6.2 million gallons daily.

The Water System also has a permit to operate four wells. The first of these, Willowbend, was the original water source for Peachtree City. The second well, Kiwanis Field, is at the Kiwanis

Field Recreation Complex. The Water System operates and maintains the well and supplies the complex with water at no cost to the County in exchange for the remainder of the water. The Loghouse well is operated under an agreement with Peachtree City, which continues through 2034. The Water System supplies the City with 15% of the water in exchange for the remainder. The fourth well is on Hill Road. The Hill Road and Kiwanis Field wells were not used in this fiscal year.

Another water source is the City of Atlanta. The Water System can purchase up to 4 million gallons per day. During the fiscal year ended June 30, 2009 an average of 46,996 gallons per day were purchased from the City of Atlanta.

The Board approved the purchase of Starr's Mill during 1991. This purchase includes the 100-year-old mill house, 16 acres and the water rights to the approximately 60 acre millpond. A withdrawal permit for 2 million gallons of water a day has been issued by the Department of Natural Resources. The pump house design accents the old mill. One of the main advantages to using the millpond is that no wetlands had to be mitigated. The Water System maintains the old mill.

The Crosstown Water Plant is approved for a high rate of 13.5 million gallons per day. The potable water storage for the system consists of two clearwells totaling 6 million gallons at the Crosstown Water Plant and five elevated storage tanks totaling 7.5 million gallons. The South Fayette Water Treatment Plant went into service in July 2001. The South Fayette Water Treatment Plant is approved for a high rate of 6.2 million gallons per day. The South Fayette Water Plant includes a raw water storage pond for three days of production, a diesel generator that will provide electricity for full operation and a 3 million gallon clearwell. The 75,000 gallon tank in Brooks was leased to the Town of Brooks to use with their system. The Water System installed a monitor for the City of Fayetteville's one million gallon tank. With the installation of control valves, the plant operators can regulate the flow into the City tank.

The distribution system includes 614 miles of water lines of various diameters and materials. The water lines are installed by a contractor selected by low bid and the projects are designed by the Consulting Engineer. The water lines for subdivisions are installed by the developers' contractor with the Water System's inspector handling the inspections. These water lines are contributed to the Water System upon approval of the construction by the Water System Director. The Water System installs some water lines to complete loops or to add additional customers to a continuation of an existing waterline.

Construction in Process

In order to ensure that water demands can be met with future growth, the Water System has begun the process of building a reservoir, Lake McIntosh. The County has obtained the Section 404 permit from the U.S. Army Corps of Engineers (the "Corps") and is in the process of obtaining the required approvals from the EPD for the plans and specifications for the Lake McIntosh and related improvements, including a raw water intake and pumping facilities. The EPD has issued to the County a surface water withdrawal permit to withdraw water from Lake McIntosh upon its completion at a withdrawal rate of 10.4 million gallons per day.

Economic Conditions and Outlook

Water sales for 2009 increased $224,777 from 2008 up 1.9%. While dollar sales have increase the number of gallons decreased during this time period. This usage decrease has been a reflection of recent drought restrictions in Georgia. During 2009, the Board of Commissioners established a rate increase to help finance the Lake McIntosh Reservoir. The rate increase was established as a two-tier increase with the first tier going into effect in March 2009 and the second-tier going into effect in January 2010.

Accounting and Budgetary Controls

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

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

The Water System employs an Enterprise Fund concept to account for its operations which are financed and operated in a manner similar to private business enterprises – wherein the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Cash flow budgets are prepared and adopted for the System.

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

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

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, U.S. Government securities and repurchase agreements. At June 30, 2009, the System has investments in certificates of deposit, U.S. Government securities, repurchase agreements, and the Georgia Fund 1 State Investment Pool. The System earned interest revenue of $124,700 on all investments for the year ended June 30, 2009.

The System'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, 2009, all of the System's depositories provided sufficient and/or proper collateralization of the System's deposits.

Risk Management

The System participates in the County is self-insurance for employee dental and vision coverage. Third party administrators are employed to process claims for the dental and vision programs.

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

Independent Audit

Existing bond covenants require an annual audit by independent certified public accountants. The accounting firm of Cherry, Bekaert & Holland LLP was selected by Fayette County to perform the June 30, 2009 audit. This report has been prepared in accordance with those State requirements set forth. The auditors' report on the basic financial statements are included in the financial section of this report.

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 Water System and the staff of the County Finance Department. Our sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

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

Respectfully submitted,

Tony V. Parrott
Water System Director

Mary S. Holland
Chief Financial Officer

FAYETTE COUNTY, GEORGIA

LISTING OF PRINCIPAL OFFICIALS

June 30, 2009

BOARD OF COMMISSIONERS

Jack R. Smith, Chairman
Herbert E. Frady, Vice Chairman
Robert Horgan
Eric Maxwell
Lee Hearn

Water System Director

Tony Parrott

COUNTY CHIEF FINANCIAL OFFICER

Mary S. Holland

COUNTY PURCHASING AGENT

Tim Jones

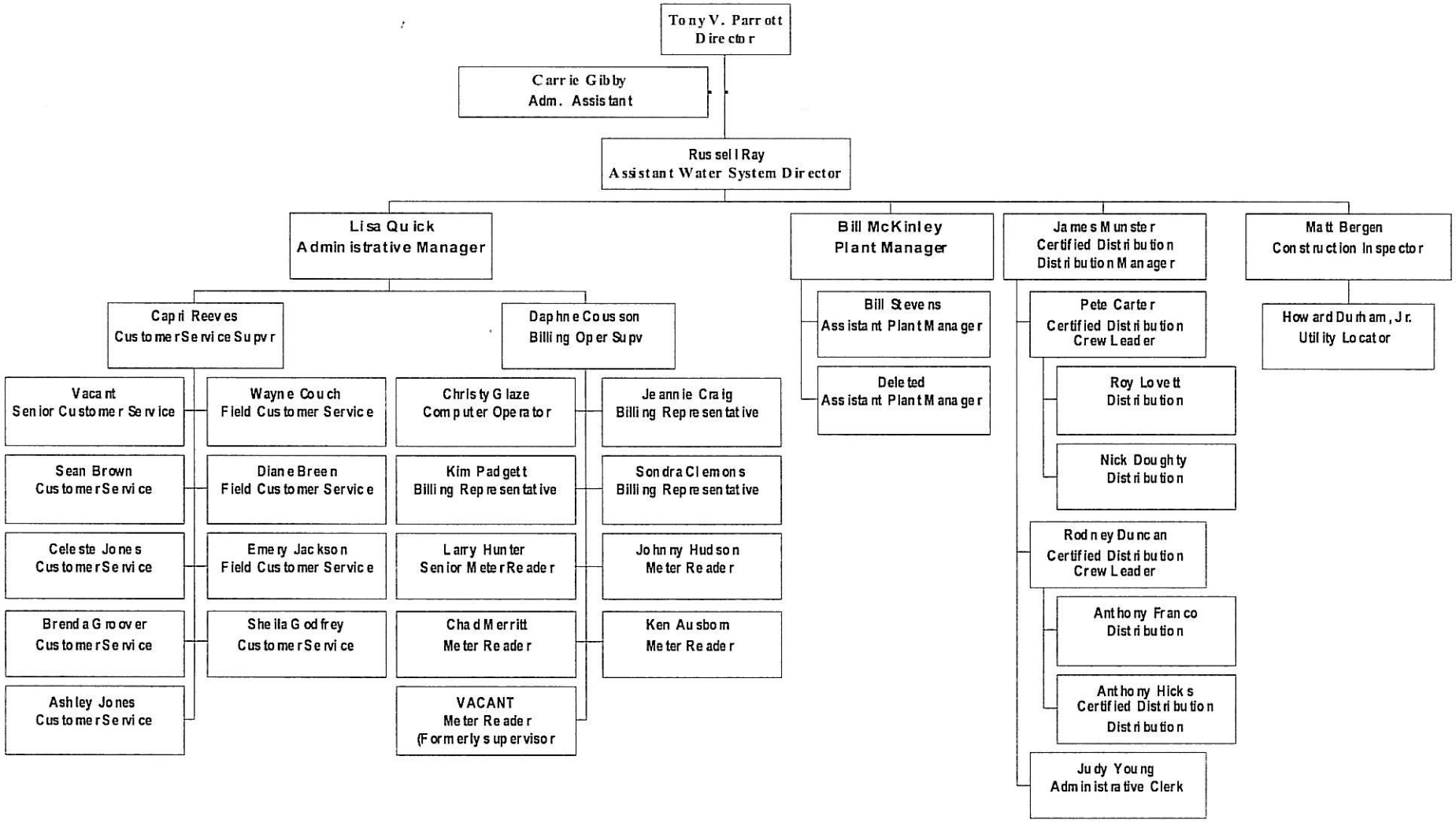
COUNTY ATTORNEY

Scott Bennett

AUDITORS

Cherry, Bekaert & Holland, L.L.P.

Water System



Fayette County
GEORGIA
WATER SYSTEM

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FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Fayette County Georgia
Fayetteville, Georgia

We have audited the accompanying statement of net assets of the Fayette County Water System (the "System"), an enterprise fund of Fayette County Georgia (the "County") as of June 30, 2009 and the related statements of revenues, expenses, and changes in fund net assets and cash flows for the year then ended. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note I., the financial statements present only the System and do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2009, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System, as of June 30, 2009, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cherry, Bekaert & Holland, L.L.P.

Atlanta, Georgia
December 30, 2009

Fayette County, Georgia Water System
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

Management's discussion and analysis provides a narrative overview and analysis of the financial activities of the Fayette County, Georgia Water System (the "System") for the fiscal year ended June 30, 2009. Management encourages readers to consider the information presented here in conjunction with additional information we have included in our letter of transmittal, which can be found on pages v-x in the introductory section of this report and the financial statements following.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements. The System's basic financial statements comprise two components; 1) *System's financial statements*, and 2) *Notes to the financial statements*. The *System's financial statements* present an overall picture of the System's financial position and results of operations. The *Notes to the financial statements* provide additional information concerning the System's finances that are not disclosed in the financial statements.

The System's financial statements are the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets, and the Statement of Cash Flows. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net assets of the System and the changes in net assets. The System's activities are supported by charges to the users of the water.

The Statement of Net Assets presents information on all assets and liabilities of the System, with the difference between assets and liabilities reported as net assets. Net assets are reported in three categories; 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted.

Financial Analysis

The System provides water services to approximately 27,284 customers in Fayette County, Georgia. The analysis provides summary financial information for the System and should be read in conjunction with the financial statements on pages 7 –25 and the related footnotes.

Financial Highlights

- The System's total assets exceeded total liabilities by $77.8 million.

The following summarizes the components of the Water System's net assets at June 30, 2009 and 2008:

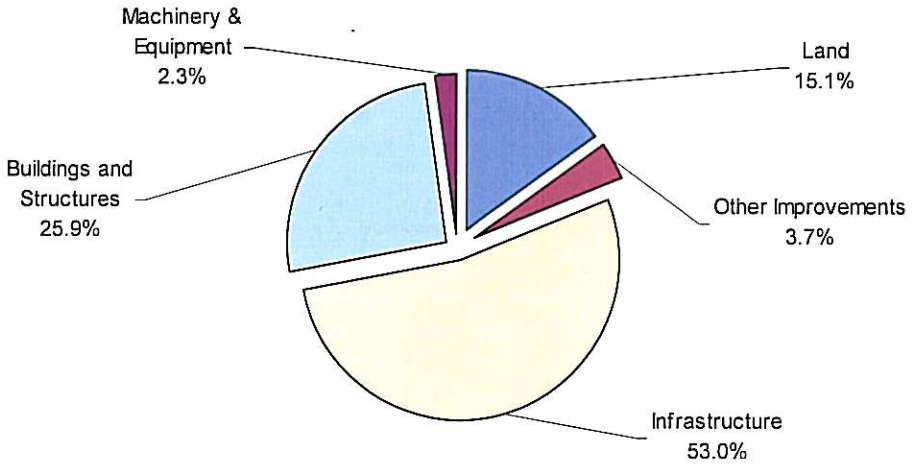
	2009	2008
Current and other assets	$ 4,144,360	$ 4,068,855
Restricted assets	11,084,372	12,010,175
Capital assets	107,558,490	109,235,601
Total assets	122,787,222	125,314,631
Other liabilities	4,241,374	4,812,425
Long-term liabilities	40,741,092	42,980,731
Total liabilities	44,982,466	47,793,156
Net assets:		
Invested in capital assets, net of related debt	64,504,239	63,968,356
Restricted	11,084,372	12,010,075
Unrestricted	2,216,145	1,542,944
Total net assets	$77,804,756	$77,521,475

- The System adopted the State of Georgia's water regulations in 2004. Detailed water restrictions and information can be obtained on the County's website fayettecountyga.gov.

- Water sales revenue increased $224,776 or 1.9% over 2008 revenue. This increase was due to the first phase of a rate increase that was effective March 1, 2009. The second phase will be effective January 1, 2010.

The System's investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any outstanding related debt used to acquire the asset and accumulated depreciation, equals 82.9 percent of net assets. The System uses these capital assets to provide services to customers and consequently, these assets are not available for future spending.

System Assets



Water distribution system includes 614 miles of water line of various diameters and materials. Infrastructure additions for fiscal year 2009 totaled $3,300,613 which includes water lines, meters and fire hydrants. The following tabulation shows water line footage by size, including current year additions for the year ended June 30, 2009. The amount of pipe smaller than 6" is insignificant and not reported as part of the distribution system.

Pipe Size	Beginning Balance	Additions	Ending Balance
30"	37,802	-	37,802
24"	106,950	-	106,950
20"	222,803	-	222,803
18"	8,390	-	8,390
16"	144,912	4,194	149,106
12"	270,480	-	270,480
10"	277,314	9,466	286,780
8"	1,357,667	18,224	1,375,891
6"	782,471	1,361	783,832
Totals	$ 3,208,789	$ 33,245	$ 3,242,034

The System's net assets also include restricted assets of $11,084,372 (14.3 percent of net assets) and unrestricted net assets of $2,216,145 (2.8 percent of net assets). Restricted net assets represent resources subject to external restriction on how they may be used. Unrestricted net assets may be used to meet the System's ongoing obligations to creditors.

The System's total net assets increased $283,281 or 0.4 percent during the fiscal year. This indicates that the revenue sources exceed the ongoing cost of the System.

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

	2009	2008
Revenues and capital contributions		
Water sales	$12,163,599	$11,938,823
Other operating	327,708	346,705
Non-operating	213,946	659,400
Capital Contributions	1,096,917	1,294,879
Total revenues and capital contributions	13,802,170	14,239,807
Expenses and Transfers		
Operating expenses	6,104,440	5,793,108
Non-operating expenses	2,350,523	2,438,760
Transfer – Overhead	627,976	596,940
Depreciation expense	4,435,950	4,403,435
Total expenses	13,518,889	13,232,243
Increase in net assets	283,281	1,007,564
Net assets, beginning of year	77,521,475	76,513,911
Net assets, end of year	$77,804,756	$77,521,475

The System's total revenues and capital contributions decreased $437,637 or 3.1% during the fiscal year. The decrease in revenues can be attributed to a decrease in non-operating revenues and decreased capital contributions.

The total expense increased $286,646 or 2.2% during the fiscal year. The increase can be attributed to the increasing costs associated with water production.

Long-term debt – At the end of the current fiscal year, the System's total revenue bonded debt is $44,408,751, of which $37,760,000 is revenue bond debt (see page 22 in Notes to the Financial Statements) and $6,648,751 is for Georgia Environmental Facilities Authority loans (see pages 49-52 in Notes to the Financial Statements). Principal payments made in fiscal year 2009 were $2,322,801 reducing long term debt by 5.0%.

Request for Information

This financial report is designed to provide a general overview of System's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be obtained by accessing the County's website at finance@fayettecountyga.gov , or by contacting the Finance Department at the following address and telephone number:

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

Fayette County
GEORGIA
WATER SYSTEM

Where Quality Is A Lifestyle

BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Water System
Statement of Net Assets
June 30, 2009

ASSETS		
Current Assets		
Unrestricted cash	$	1,581,840
Restricted cash		11,084,372
Prepaid expenses		112,531
Other receivables, net of allowance for doubtful accounts of $125,000		1,636,151
Inventory		507,939
Total current assets		14,922,833
Non-Current Assets		
Unamortized debt issue costs		305,899
Capital assets, net of accumulated depreciation		
Land		14,949,619
Land improvements		3,659,998
Infrastructure		52,367,092
Buildings		25,584,814
Machinery, equipment and vehicles		2,229,354
Construction in progress		8,767,613
Total capital assets		107,558,490
Total Assets		122,787,222
LIABILITIES		
Current Liabilities		
Accounts payable		958,342
Contracts payable		111,244
Accrued interest payable		517,321
Salaries and benefits payable		111,723
Compensated absences		66,189
Unearned revenue		118,600
Current portion of long-term obligations		2,357,955
Total current liabilities		4,241,374
Long-Term Liabilities		
Compensated absences		44,796
Notes Payable		6,100,796
Bonds payable		34,595,500
Long-Term Liabilities, net of current portion		40,741,092
Total Liabilities		44,982,466
NET ASSETS		
Invested in capital assets, net of related debt		64,504,239
Restricted for:		
Renewal and extension		5,333,241
Debt service		5,751,131
Unrestricted		2,216,145
TOTAL NET ASSETS	$	77,804,756

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

Fayette County, Georgia
Water System
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the fiscal year ended June 30, 2009

Operating revenues:	
Charges for sales and services	$ 12,163,599
Penalties	117,358
Miscellaneous	210,350
Total operating revenues	12,491,307
Operating expenses:	
Personal services	1,806,405
Contractual services	822,475
Other operating	172,347
Water production cost	3,178,617
Amortization	59,391
Depreciation	4,435,950
Bad debt expense	65,205
Total operating expenses	10,540,390
Operating income	1,950,917
Non-operating activities:	
Interest income	124,700
Gain on disposition of equipment	2,605
Miscellaneous	86,641
Interest expense (including amortization of bond discount)	(2,350,523)
Total non-operating activites	(2,136,577)
Income before capital contributions and transfers	(185,660)
Capital contributions and transfers	
Capital contributions	1,096,917
Transfers out	(627,976)
Total capital contributions and transfers	468,941
Change in Net Assets	283,281
Net Assets, beginning of year	77,521,475
Net Assets, end of year	$ 77,804,756

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

Fayette County, Georgia
Water System
Statement of Cash Flows

For the fiscal year ended June 30, 2009

Cash flows from operating activities:	
Cash received from customers	$ 12,245,568
Cash payments to suppliers for goods and services	(4,842,880)
Cash payments to employees for services	(1,780,075)
Net cash provided by operating activities	5,622,613
Cash flows from noncapital financing activities:	
Transfers out to other funds	(627,976)
Net cash provided used in noncapital financing activities	(627,976)
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,785,474)
Capital contributions	157,787
Proceeds from sale of equipment	2,605
Principal paid on revenue bonds and loans	(2,322,802)
Payment of bond interest and loans	(2,271,221)
Net cash used in capital and related financing activities	(6,219,105)
Cash flows from investing activities:	
Interest on investments	124,700
Net cash provided by investing activities	124,700
Net decrease in cash and cash equivalents	(1,099,768)
Cash and cash equivalents at beginning of year	13,765,980
Cash and cash equivalents at end of year	$ 12,666,212
Classified as:	
Unrestricted cash	1,581,840
Restricted cash	11,084,372
	$ 12,666,212

Continued on next page

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

Fayette County, Georgia
Water System
Statement of Cash Flows

For the fiscal year ended June 30, 2009

Reconciliation of operating income to cash provided by operating activities:	
Operating income	$ 1,950,917
Adjustments to reconcile operating income to Net cash provided by operating activities:	
Depreciation expense	4,435,950
Amortization expense	59,391
Bad Debt Expense	65,205
Increase in accounts receivable	(279,139)
Decrease in Inventory	65,233
Decrease in accounts payable	(405,832)
Increase in salaries and benefits payable	26,330
Increase in prepaid items	(81,556)
Decrease in contracts payable	(247,286)
Increase in unearned revenue	33,400
Total adjustments	3,671,696
Net cash provided by operating activities	$ 5,622,613

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

Fayette County
GEORGIA
WATER SYSTEM

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NOTES TO THE FINANCIAL STATEMENTS

Fayette County, Georgia
Water System
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2009

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- B. Measurement Focus, Basis of Accounting and Basis of Presentation
- C. Assets, Liabilities, Equity and Revenues

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Fayette County, Georgia
Water System
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fayette County, Georgia Water System (the "System") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the System are described below.

A. Reporting Entity

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

The System, established in 1965, is an enterprise fund of the County and serves approximately 27,284 water customers in the unicorporated County and through the County owned distribution system in Peachtree City and the Town of Tyrone. The System is governed by the Fayette County Board of Commissioners, but the System's Director is responsible for the day-to-day operations.

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

Fund Financial Statements

The System is an enterprise fund of Fayette, County Georgia. An enterprise fund is a proprietary fund which is sometimes referred to as an "income determination" or "commercial type" fund. Proprietary funds are accounted for on the flow of economic resources management focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the System has chosen to apply all GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the System's proprietary fund are charges to customers for sales and services. Operating expenses for this fund 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 and capital contributions.

C. Assets, Liabilities, Equity, and Revenues

1. Deposits and Investments

The System'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 Statement of Cash Flows, the System considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The statutes of the State of Georgia authorize the County to invest in U.S. Government obligations; U.S. Government agency obligations; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "A" or better by Moddy's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

1. Deposits and Investments -Continued

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 System reports investments at fair value. Money market investments and those investments, which had a remaining maturity at the time of purchase of one year or less are recorded at amortized cost or cost plus accrued interest, which approximates fair value. The fair value of investments in the Georgia Fund 1 State Investment Pool is equal to cost.

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

2. Receivables

A receivable has been recorded for services rendered but not billed at June 30, 2009, net of allowance for doubtful accounts of $125,000. The receivable was computed using the cycle billings sent to customers in July and prorating the charges based on the days applicable to the current period.

3. Inventories and Prepaid Items

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

Prepaid items represent payments made to vendors for which the benefits are applicable to future accounting periods. Prepaids are recorded using the consumption method by recording an asset for the prepaid amount and reflecting the expense in the year in which services are consumed.

4. Restricted Assets

Certain proceeds of the System revenue bonds, as well as certain resources set aside for their payment are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in 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.

5. Capital Assets

Capital assets are reported in the financial statements at cost or estimated historical cost if purchased or constructed. Capital assets include property, plant and equipment. Capital assets, are defined by the System as assets with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or do not substantially extend assets' lives are not capitalized.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Capital Assets - Continued

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Classifications	Years
Building Improvements	10
Buildings	40
Computer Equipment	5
Infrastructure	15-40
Office Equipment	5
Vehicles	7-15

6. Compensated Absences

System employees are granted vacation and sick leave in varying amounts. It is the System's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to specified maximum number of hours. In the event of termination of employment, an employee is paid for accrued annual 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 System are paid at the rate of $15 for each day of unused sick leave up to a maximum of $900. Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences,* required employers to report a liability for leave earned by employees whenever the following two criteria have been met: (1) the leave relates to past service; and (2) eventual payment to the employee is considered probable. Vacation and termination sick leave pay are accrued when incurred and reported as a fund liability.

7. Long-term Obligations

Long-term debt and other obligations financed by the System are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

8. Net Assets

The carrying amount of capital assets less related outstanding debt is reported as a component of net assets called capital assets net of related debt.

Restricted net assets reflect amounts restricted by contracts, laws and regulations for specific purposes such as amounts that have been accumulated in the Debt Service Accounts as well as a working capital reserve as described in the Bond Resolutions.

The System records reserves to indicate that a portion of the net asets is legally segregated for a specific use. An example of this type of reserve is the net excess of restricted assets over liabilities payable from restricted assets. This segregation of fund equity is required by the bond resolutions.

9. Capital Contributions

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the System has recorded capital contributions received as capital contributions revenue. Capital contributions include amounts received from Federal, State and other

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Capital Contributions - Continued

governments for aid in construction and development of the System. Also included are amounts received from real estate sub-dividers for water line extensions built by sub-dividers and contributed to the System, both of which are capitalized as part of the 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.

NOTE I I - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The System is required by the County Board of Commissioners to adopt annual operating budgets for its operations and establishes billing rates accordingly. The budgets are formally adopted through passage of a resolution by the Board of Commissioners. The System's Director has the responsibility of administering these programs in accordance with the policies and the annual budget as adopted by the Board of Commissioners. The Director is required to keep total expenses less than total revenues. Budgets are prepared on the cash basis. The System uses an encumbrance system and appropriations are reserved at year end. Neither the budget resolution nor any bond covenants require that the System report budgetary information in its financial statements.

B. Debt Service and Sinking Fund Requirements on Water System 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 the fiscal year ended June 30, 2009, $25,273 was paid from the Revenue Fund into the Sinking Fund (including the Debt Service Reserve Account).

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 in sufficient amounts so that by July 1, 2007 the reserve will at least be equal to the highest combined principal and interest payments on the Revenue Bonds in any succeeding sinking fund year (October 1 to September 30). The minimum amount required for this reserve is $3,691,665 which represents the debt service for the sinking fund year ended September 30, 2004 (highest combined principal and interest payments). The debt reserve balance at June 30, 2009 is $3,926,304 the sinking fund balances are $1,824,827 for a debt service total of $5,751,131, which is shown as restricted cash.

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.

NOTE I I - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

3. Renewal and Extension Fund - Continued

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).

4. Rates and Fee Requirements

In accordance with the bond resolutions, the 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 into the Sinking Fund and the Debt Service Reserve in the current sinking fund year. This ratio is computed annually. For the year ended June 30, 2009, the System was in compliance with this requirement.

NOTE I I I - DETAILED NOTES

A. Cash, Cash Equivalents, and Investments

As mentioned in Note A, the System is a major enterprise fund of Fayette County, Georgia and, accordingly, the information concerning deposits is for the System and County funds combined in order to properly disclose the amounts insured and collateralized.

1. Cash Deposits

At June 30, 2009, the carrying amount of the County's deposits were $143,239,697 and the bank balances were $147,560,472 of the bank balances, $1,000,000 was covered by Federal Depository Insurance Corporation and the remaining $146,560,472 was covered by the Temporary Liquidity Guarantee Program or collateral held in the pledging banks' trust department in the County's name. The System's portion of this cash included a carrying amount of $12,666,212 and bank balances of $13,783,658. There were no deposits uninsured or uncollateralized at June 30, 2009.

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

2. Investments

Georgia Fund 1, which was created by the Official Code of Georgia Annotated ("OCGA") 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAA rated market funds. However, Georgia Fund 1 operates in a manner consistent with 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 as an investment company. The Georgia Office of Treasury and Fiscal Services is the regulatory oversight agency of Georgia Fund 1. 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 $1.00 per share.

NOTE I I I - DETAILED NOTES (Continued)

2. Investments (Continued)

As of June 30, 2009, the carrying values of theSystem's investments were as follows:

Georgia Fund 1 (LGIP)	AAAm rated	$	6,412,154	24 day Weighted Average Maturity Method

Primary Government's Investment Policy

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

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

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

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

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

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

• U.S. Treasury Obligations	100%
• U.S. Government Agency Securities and Securities issued by Instrumentalities of Government Sponsored Corporations	50%
• Repurchase Agreements	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%

NOTE I I I - DETAILED NOTES (Continued)

2. Investments (Continued)

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.

Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

B. Capital Assets

	Beginning Balances	Increases	Decreases	Ending Balances
Land	$ 14,949,619	$ -	$ -	$ 14,949,619
Construction in process	9,520,217	2,168,772	(2,921,376)	8,767,613
Total capital assets not being depreciated	24,469,836	2,168,772	(2,921,376)	23,717,232
Capital assets being depreciated:				
Buildings and Structures	43,696,154	6,214	-	43,702,368
Infrastructure	77,270,236	3,300,613	-	80,570,849
Improvements other than buildings	11,097,007	33,168	-	11,130,175
Machinery and equipment	8,860,273	171,849	(143,601)	8,888,521
Total capital assets being depreciated	140,923,670	3,511,844	(143,601)	144,291,913
Less accumulated depreciation for:				
Buildings and Structures	16,528,059	1,589,494	-	18,117,553
Infrastructure	26,090,415	2,113,342	-	28,203,757
Improvements other than buildings	7,121,996	348,181	-	7,470,177
Machinery and equipment	6,417,435	384,933	(143,200)	6,659,168
Total accumulated depreciation	56,157,905	4,435,950	(143,200)	60,450,655
Total capital assets being depreciated, net	84,765,765	(924,106)	(401)	83,841,258
Capital assets, net	$ 109,235,601	$ 1,244,666	$ (2,921,777)	$ 107,558,490

C. Interfund Receivables and Payables

During fiscal year 2009,the System was charged $627,976 for overhead cost allocation including administration, finance, budgeting, purchasing, information systems, human resources, and marshal services. This amount was paid by the System to the County's General Fund.

D. Long-Term Debt

Revenue Bonds. The System has pledged future water customer revenues, net of specified operating expenses to repay $51 million in revenue bonds. Proceeds from the bonds provided financing for construction. The bonds are payable solely from the System's customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 67 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $54,094,028. Principal and interest paid in the current year and total customer net revenues were $3,641,311 and $5,404,252, respectively. The bonds outstanding are:

	Debt
$10,245,000 Series 1996A, Water Revenue Bonds, due in annual installments of $25,000 to $920,000 through October 1, 2020; interest at 3.6% to 5.5%, net of unamortized bond discount of $1,554, deferred refunding difference of $75,670.	$ 2,900,000

NOTE I I I - DETAILED NOTES (Continued)

D. Long-Term Debt (Continued)

$18,090,000 Series 1998, Water Revenue Bonds, due in annual installments of $130,000 to $3,325,000 through October 1, 2028; interest at 3.7% to 5.00%, net of unamortized bond discount of $64,667, deferred refunding difference of $443,238.	14,735,000
$22,670,000 Series 2002, Water Revenue Bonds, due in annual installments of $50,000 to $2,250,000 through October 1, 2032; interest at 3.25% to 5.125%, net of unamortized bond discount of $48,845, deferred refunding difference of $720,526.	20,125,000
Total	$ 37,760,000

The following includes a summary of the System's revenue bond transactions for the fiscal year ended June 30, 2009:

Water Revenue Bond	Balance, July 1, 2008	Additions	Reductions	Balance, June 30, 2009	Current Portion
Series 1996A	$ 3,695,000	$ -	$ 795,000	$ 2,900,000	$ 840,000
Series 1998	15,215,000	-	480,000	14,735,000	500,000
Series 2002	20,580,000	-	455,000	20,125,000	470,000
Total Water Revenue Bonds	39,490,000	-	1,730,000	37,760,000	$ 1,810,000
Less the Unamortized Portion of :					
Refunding Difference	(1,335,843)	-	(96,409)	(1,239,434)	
Bond Discounts	(128,466)	-	(13,399)	(115,067)	
Net Water Revenue Bonds	$ 38,025,691	$ -	$ 1,620,192	$ 36,405,499	

At June 30, 2009, the System 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
2010	$ 1,810,000	$ 1,831,114	$ 3,641,114
2011	1,890,000	1,744,949	3,634,949
2012	1,980,000	1,652,639	3,632,639
2013	2,075,000	1,559,006	3,634,006
2014	2,160,000	1,464,493	3,624,493
2015-2019	12,580,000	5,492,038	18,072,038
2020-2024	12,775,000	1,975,706	14,750,706
2025-2029	1,245,000	482,500	1,727,500
2030-2033	1,245,000	131,583	1,376,583
Totals	$ 37,760,000	$ 16,334,028	$ 54,094,028

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

NOTE I I I - DETAILED NOTES (Continued)

D. Long-Term Debt (Continued)

Georgia Environmental Facilities Authority (GEFA) Loans. The Georgia Environmental Facilities Authority is a State agency which offers low interest financing to other political subdivisions of the State of Georgia for their water and sewer capital needs. The System has received nine GEFA loans for various System construction projects.

At June 30, 2009, the System's long-term liabilities included the following loans:

$0 represents the principal balance remaining on the original loan amount of $593,063 for the construction of the Quarters Road water line. This December 1988 loan was made by GEFA for a period of twenty years and was payable in quarterly installments of $12,574 beginning March 1, 1989. The interest rate was 5.8% over the life of the loan. The current principal portion of the loan is $0. This GEFA loan was paid off in the current year. The debt is serviced through the System.

$0 represents the principal balance remaining on the original loan amount of $603,000 for the construction of the Crabapple water tank. This June 1989 loan was made by GEFA for a period of twenty years and was payable in quarterly installments of $12,280 beginning September 1, 1989. The interest rate was 5.3% over the life of the loan. This GEFA loan was paid off in the current year. The debt is serviced through the System.

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

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

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

$949,247 represents the principal balance remaining on the original loan amount of $2,087,000 for the construction of Phase 3 of the Water Line Looping Project. Of the original loan amount, $321,290 was not needed for the project and was returned to the Georgia Loan Fund. This September 1996 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $41,978 beginning November 1, 1996. The interest rate is 5.16% over the life of the loan. The current principal portion of the loan is $94,897. The debt is serviced through theSystem.

$1,271,911 represents the principal balance remaining on the original loan amount of $2,000,000 for the construction of Phase 4 of the Water Line Looping Project. This September 1999 loan was made by GEFA for a period of twenty years and is payable in quarterly installments of $40,027 beginning November 1, 1999. The interest rate is 5.10% over the life of the loan. The current principal portion of the loan is $97,077. The debt is serviced through the System.

NOTE I I I - DETAILED NOTES (Continued)

D. Long-Term Debt (Continued)

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

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

The following is a summary of GEFA loan transactions for the year ended June 30, 2009.

	Balance, July 1, 2008	Additions	Reductions	Balance, June 30, 2009	Current Portion
Quarters Road Water Line Loan	$ 24,612	$ -	$ 24,612	$ -	$ -
Crabapple Water Tank Loan	47,535	-	47,535	-	-
Phase 1 Water Line Loop Loan	323,792	-	45,708	278,084	47,943
Phase 2 Water Line Loop Loan	560,346	-	80,634	479,712	84,842
Phase 5 Water Line Loop Loan	577,632	-	56,741	520,891	59,986
Phase 3 Water Line Loop Loan	1,039,401	-	90,154	949,247	94,897
Phase 4 Water Line Loop Loan	1,364,191	-	92,280	1,271,911	97,077
South Fayette Water Plant Loan	1,585,877	-	80,115	1,505,762	84,530
Ellis Road Water Tank Loan	1,718,166	-	75,022	1,643,144	78,680
Total GEFA Loan Debt	$ 7,241,552	$ -	$ 592,801	$ 6,648,751	$ 547,955

At June 30, 2009, the System was obligated to make payments of principal and interest on its outstanding GEFA loans as follows:

Fiscal years ending June 30,	Principal	Interest	Total Debt Service
2010	$ 547,955	$ 330,489	$ 878,444
2011	576,690	301,754	878,444
2012	606,936	271,508	878,444
2013	638,771	239,672	878,444
2014	672,281	206,163	878,444
2015-2019	2,490,522	598,738	3,089,260
2020-2024	1,115,596	116,780	1,232,376
Totals	$ 6,648,751	$ 2,065,104	$ 8,713,856

NOTE I I I - DETAILED NOTES (Continued)

D. Long-Term Debt (Continued)

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

	Balance July 1, 2008	Current Year Payments	Current Year Additions	Balance June 30, 2009
Revenue Bonds	$ 39,490,000	$ 1,730,000	-	$ 37,760,000
Less the unamortized portion of				
Refunding difference	(1,335,843)	(96,409)	-	(1,239,434)
Bond discounts	(128,466)	(13,399)	-	(115,063)
GEFA loans	7,241,552	592,801	-	6,648,751
	$ 45,267,243	$ 2,212,993	-	43,054,254
Less: current portion of long-term debt				(2,357,955)
				$ 40,696,299

Changes in Long-Term Liabilities. During the fiscal year ended June 30, 2009, changes occurred in liabilities reported as long-term debt as follows:

	Balance, July 1, 2008	Additions	Reductions	Balance, June 30, 2009	Due within One Year
Compensated Absences	$ 96,477	$ 14,508	$ -	$ 110,985	$ 66,189
GEFA Loans	7,241,552	-	592,801	6,648,751	547,955
Revenue Bonds	39,490,000	-	1,730,000	37,760,000	1,810,000
Totals	$ 46,828,029	$ 14,508	$ 2,322,801	$ 44,519,736	$ 2,424,144

NOTE I V - OTHER INFORMATION

As mentioned in Note A, the System is a major enterprise fund of Fayette County, Georgia and, accordingly, the information contained within this section is shown for the County as a whole.

A. Risk Management

The County 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 Workers' 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 established its Major Medical Self-Insurance Internal Service Fund in the 1991 fiscal year, and on June 1, 2002 became fully insured. The County no longer carries the specific and aggregate excess insurance through a private concern. This fund is still maintained in the event the Board of Commissioners decide to self-insure again. The purpose of this fund is to pay claims for employees for certain health care expenses incurred with an unlimited amount per covered individual.

NOTE I V - OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

All funds of the County participate in these programs and make payments to these Internal Service Funds based on actuarial estimates of the amounts needed to pay prior and current year claims, claim reserves, and administrative costs of the programs. The claims liability of $ 34,497 reported at June 30, 2009 in the County's Comprehensive Annual Financial Report (CAFR), 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 labilities 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 funds' claims liability amounts in fiscal years 2008 and 2009 were as follows:

	Beginning of Fiscal Year Liabilities	Current Year Claims and Changes in Estimates	Less Claim Payments	End of Fiscal Year Liabilities
Workers' Compensation Self-Insurance Fund:				
FY 2008	$ -	$ 278,373	$ 261,771	$ 16,602
FY 2009	$ 16,602	$ 278,473	$ 280,480	$ 14,595
Dental/Vision Self-Insurance Fund:				
FY 2008	$ 41,079	$ 302,949	$ 338,636	$ 5,392
FY 2009	$ 5,392	$ 391,444	$ 376,934	$ 19,902
Medical Self-Insurance Fund (EAP):				
FY 2008	$ -	$ -	$ -	$ -
FY 2009	$ -	$ -	$ -	$ -

B Post-employment Healthcare Plan

In addition to providing pension benefits, the County provides funding for certain health care related benefits for retired employees under a single employer defined benefit OPEB plan. A majority of the County's employees may become eligible for this benefit upon reaching the minimum age of 55 and having at least 25 years of service. Continued health care benefits in the form of single coverage will be paid fully by the County from the Major Medical Self-Insurance Fund. This benefit is limited to a period which is shorter of (a) ten years or (b) the length of time it takes for the employee to reach the age at which they become eligible for Medicare benefits. The County has the authority to amend this benefit.

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

At June 30, 2009, the County has eighteen (18) employees eligible for this benefit, there are two retirees receiving medical insurance coverage. 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. For the year ended June 30, 2009 the County paid $9,293 for this benefit.

NOTE I V - OTHER INFORMATION (Continued)

B Post-employment Healthcare Plan (Continued)

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

Normal Cost	$ 103,281
Interest on normal costs	7,360
Amortization of unfunded actuarial accured liability	80,709
Annual required contribution	191,350
Expected employer benefit payments	-
Increase in net OPEB obligation	191,350
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	$ 191,350

Since this is the first year of implementation of GASB 45, multiyear trend data is not applicable. At June 30, 2009 the actuarial accrued liability was $1,451,450 and actuarial value of assets set aside to fund this liability was zero, the resulting unfunded accrued actuarial liability $1,451,450. The annual OPEB cost for the fiscal year 2009 was $191,350 of which $0 was contributed. The covered payroll was $32.7 million and the ratio of the unfunded actuarial liability to the covered payroll was 4.4 percent.

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

The County's actuarial valuation information is as follows:

Current valuation date	1/1/2009
Actuarial cost method	Projected Unit Credit
Amortization method	Closed periods using level dollar
Amortization period	30
Asset valuation method	N/A
Actuarial assumptions	
Investment rate of return	N/A
Healthcare cost trend rate	5%
Assumed rates of increase	4%

NOTE I V - OTHER INFORMATION (Continued)

D. Contingent Liabilities

The County has participated in a number of grant programs funded by certain Federal and State agencies. Several of these programs are subject to program compliance audits and reviews by the grantor, some of which have not been concluded. Accordingly, the County's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts to be immaterial based upon previous experience.

The County is a defendant in various litigations. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

E. Employees' Pension Plan

The County has adopted a prototype pension plan administered by the Hartford Insurance. The 401(a) pension plan is a defined contribution (money purchase pension) plan that covers substantially all full time County employees.

Under the current provisions, the County is required to contribute an amount equal to 4% of each participant's annual compensation. In addition, 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 4%. Contributions are calculated and made on a biweekly payroll basis. The Board of Commissioners establishes required contribution and matching percentages.

Employees become eligible for the plan if they are at least 18 years old and work a minimum of 30 hours per week. Actual participation in the plan begins with the first payroll of the quarter following the completion of a successful probationary period. Participants are 40% vested in the plan after four years of service and 100% vested after five years.

The 401(a) pension plan had total contributions of $2,163,315, of which $1,308,291 is the four percent base contributed by the County. The County's matching portion to the employee contributions to the deferred compensation plan was $855,024. For the fiscal year ended June 30, 2009, payroll covered by this plan was $32.7 million.

V - SUBSEQUENT EVENTS

Subsequent to the end of the fiscal year, the County began participation in the Association of Government Commissioners of Georgia Pension Plan (ACCG plan), an agent multiple-employer defined benefit pension plan, which covers all employees.

Also subsequent to year end, the County issued $36,340,000 of 2009 Water Revenue Bonds. These bonds were issued for the purpose of refunding all of the County's Water Revenue Bonds, Series 1998; refunding seven loans made by the Georgia Environmental Facilities Authority to the County; and to finance the costs of making additions, extensions, and improvements to the System.

Fayette County
GEORGIA
WATER SYSTEM

Where Quality Is A Lifestyle

STATISTICAL SECTION

"Unaudited"

STATISTICAL SECTION

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

Contents **Page**

Financial Trends 27

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

Revenue Capacity 31

These schedules contain information to help the reader assess the government's most signifiant local revenue source, the property tax.

Debt Capacity 32

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.

Operating Information 34

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.

FAYETTE COUNTY WATER SYSTEM
Net Assets By Component
Last Seven Fiscal Years
(accrual basis of accounting)
"Unaudited"

	Fiscal Year Ended June 30						
	2003	2004	2005	2006	2007	2008	2009
Enterprise Fund							
Invested in capital assets, net of related debt	$55,043,365	$55,447,641	$57,514,172	$58,827,755	$61,041,585	$63,968,356	$64,504,239
Restricted	8,844,631	9,817,295	11,095,278	11,073,367	12,661,526	12,010,175	11,084,372
Unrestricted	3,868,489	3,303,021	2,285,473	3,255,100	2,810,800	1,542,944	2,216,145
Total business-type activities net assets	$67,756,485	$68,567,957	$70,894,923	$73,156,222	$76,513,911	$77,521,475	$77,804,756

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

FAYETTE COUNTY WATER SYSTEM
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
"Unaudited"

Fiscal Year	2003	2004	2005	2006	2007	2008	2009
Operating Revenues							
Charges for services and fines:	$ 10,680,306	$ 11,151,490	$ 11,562,729	$ 12,086,124	$ 13,191,189	$ 11,938,823	$ 12,163,599
Penalties	154,404	165,368	98,800	121,579	128,756	120,392	117,358
Miscellaneous	211,368	233,418	226,053	222,962	223,044	226,313	210,350
Total operating revenues	$ 11,046,078	$ 11,550,276	$ 11,887,582	$ 12,430,665	$ 13,542,989	$ 12,285,528	$ 12,491,307
Operating Expenses							
Personal services	$ 2,826,762	$ 1,641,758	$ 1,470,748	$ 1,510,054	$ 1,602,174	$ 1,710,130	$ 1,806,405
Contractual services	833,244	793,895	936,791	899,714	1,419,059	1,061,562	822,475
Other Operating	985,010	273,218	142,293	215,300	68,168	167,972	172,347
Water production cost	324,663	2,180,044	2,238,258	2,470,383	2,724,874	2,790,778	3,178,617
Amortization		73,161	193,160	170,313	65,625	62,665	59,391
Depreciation	4,546,780	4,202,031	4,631,712	4,564,554	4,541,532	4,403,435	4,435,950
Bad debt expense	30,345	44,360	150,000	-	-	-	65,205
Total operating expenses	$ 9,546,804	$ 9,208,467	$ 9,762,962	$ 9,830,318	$ 10,421,432	$ 10,196,542	$ 10,540,390
Non-Operating Revenue (expenses)							
Interest income	$ 198,253	$ 88,478	$ 233,231	$ 515,478	$ 702,605	$ 543,666	$ 124,700
Gain on disposition of equipment	105,840	15,000	700	12,582	-	4,771	2,605
Miscellaneous	43	5	13,806	24,769	26,836	110,963	86,641
Interest expense (including amortization of bond discount)	(2,554,812)	(2,625,388)	(2,639,307)	(2,564,023)	(2,614,861)	(2,438,760)	(2,350,523)
Loss on disposition of equipment	-	(167,362)	-	-	-	-	-
Net non-operating revenue	$ (2,250,676)	$ (2,689,267)	$ (2,391,570)	$ (2,011,194)	$ (1,885,420)	$ (1,779,360)	$ (2,136,577)
Income before capital contributions	$ (751,402)	$ (347,458)	$ (266,950)	$ 589,153	$ 1,236,137	$ 309,626	$ (185,660)
Capital contributions and transfers							
Capital contributions	2,263,633	1,515,916	2,729,684	2,262,050	2,708,273	1,294,879	1,096,917
Transfers In			1,965				
Transfers Out	-	(356,986)	(566,585)	(589,904)	(586,721)	(596,940)	(627,976)
Total capital contributios and transfers	2,263,633	1,158,930	2,165,064	1,672,146	2,121,552	697,939	468,941
Change in Net Assts	$ 1,512,231	$ 811,472	$ 1,898,114	$ 2,261,299	$ 3,357,689	$ 1,007,565	$ 283,281

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

FAYETTE COUNTY WATER SYSTEM

Operating Revenue By Source
Last seven Fiscal Years
(accrual basis of accounting)
"Unaudited"

Fiscal Year	2003	2004	2005	2006	2007	2008	2009
Operating Revenues							
Water Revenues	$ 10,680,306	$ 11,151,490	$ 11,562,729	$ 12,086,124	$ 13,191,189	$ 11,938,823	$ 12,163,599
Penalties	154,404	165,368	98,800	121,579	128,756	120,392	117,358
Miscellaneous	211,368	233,418	226,053	222,962	223,044	226,313	210,350
Total operating revenues	$ 11,046,078	$ 11,550,276	$ 11,887,582	$ 12,430,665	$ 13,542,989	$ 12,285,528	$ 12,491,307

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

FAYETTE COUNTY WATER SYSTEM

Capital Contributions by Source
Last seven Fiscal Years
(accrual basis of accounting)
"Unaudited"

Fiscal Year	2003	2004	2005	2006	2007	2008	2009
Capital Contributions							
Government	$ 1,548,714	$ 418,368	$ 2,729,684	$ 2,262,050	$ 2,708,273	$ 1,294,879	$ 1,036,081
Customers	-	-	-	-	-	-	10,111
Meters	714,919	1,097,548					50,725
Donated capital		-					-
							-
	-	-	-	-	-	-	-
Total capital contributions	$ 2,263,633	$ 1,515,916	$ 2,729,684	$ 2,262,050	$ 2,708,273	$ 1,294,879	$ 1,096,917

FAYETTE COUNTY WATER SYSTEM
WATER RATES
LAST TEN FISCAL YEARS
(accrual basis of accounting)
"Unaudited"

Fiscal Year	Water: Minimum or First 2,000 Gallon Rate	Water: Rate per Over 2,000 Gallon Rate	Water: Conservation Over 19,999 Gallon Rate
2000	$ 16.00	$ 2.80	$ -
2001	16.00	2.80	-
2002	16.00	2.80	-
2003	16.00	2.80	-
2004	16.00	2.80	-
2005	16.00	2.80	-
2006	16.00	2.80	-
2007	16.00	2.80	3.80
2008	16.00	2.80	3.80
2009	17.60	3.08	4.18

Effective March 1, 2009

Conservation Rates apply to Residential and Irrigation Meters - ¾" & 1" meters; $17.60 for the first 2,000 gallons; $3.08

Conservation Rates apply to Residential and Irrigation Larger Size Meters - 1 ½", 2", 3", and 4" meters have a base rate

Water Rates for businesses and commercial accounts – Minimum bill of $17.60 for the first 2,000 gallons; $3.08 per 1,000

Effective January 1, 2010 there will be an additional 5% water rate increase.

FAYETTE COUNTY WATER SYSTEM

RATIO OF REVENUE BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
"Unaudited"

Fiscal Year	Water Revenue Bonds	Total	Per Capita (1)	Percentage of Personal Income (1)
2000	46,470,000	$ 46,470,000	504.51	1.42%
2001	45,365,000	45,365,000	480.13	1.28%
2002	44,210,000	44,210,000	458.44	1.23%
2003	47,145,000	47,145,000	477.00	1.28%
2004	45,735,000	45,735,000	451.33	1.17%
2005	44,270,000	44,270,000	436.16	1.10%
2006	42,740,000	42,740,000	412.15	1.03%
2007	41,150,000	41,150,000	394.73	0.97%
2008	39,490,000	39,490,000	374.67	0.93%
2009	37,760,000	37,760,000	354.07	0.84%

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

See the schedule of demographic and economic statistics for personal income and population data. Based on previous ear demographic data - when currnt year unavailable.

FAYETTE COUNTY WATER SYSTEM

REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS
"Unaudited"

	Fiscal Year Ended June 30, 2009									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Gross Revenues (1)	$11,150,765	$10,942,013	$11,272,140	$11,046,078	$11,550,276	$11,887,582	$12,430,665	$13,542,989	$12,285,527	$12,491,307
Operating Expenses (2)	3,981,842	4,596,143	4,508,066	5,000,024	5,570,037	5,697,835	5,298,587	5,879,900	5,793,108	6,104,440
Net Revenue Available for Debt Service (3)	7,168,923	6,345,870	6,764,074	6,046,054	5,980,239	6,189,747	7,164,901	7,663,089	6,492,419	6,386,867
Debt Service Payments	3,560,873	3,583,492	3,553,872	3,242,372	3,654,175	3,648,231	3,650,154	3,644,350	3,645,224	3,641,311
Coverage	2.01	1.77	1.90	1.86	1.64	1.70	1.96	2.10	1.78	1.75

(1) Refer to "Statement of Revenue, Expenses, and Changes in Fund Net Assets" (page 8)
(2) Represents operating expenses less depreciation
(3) Represents revenue before depreciation and non-operating revenues and expenses.

FAYETTE COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
"Unaudited"

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2000	92,109	$ 3,262,000	$ 35,415	38.2	19,320	2.3%
2001	94,485	$ 3,533,000	$ 37,392	38.5	19,833	1.9%
2002	96,436	$ 3,593,000	$ 37,258	38.8	20,817	3.0%
2003	98,837	$ 3,675,000	$ 37,182	38.9	21,239	3.0%
2004	101,333	$ 3,895,000	$ 38,438	39	21,624	2.9%
2005	101,500	$ 4,016,000	$ 39,567	39	22,338	4.6%
2006	103,700	$ 4,136,000	$ 39,884	39	22,513	4.3%
2007	104,248	$ 4,259,600	$ 40,860	40	22,214	4.0%
2008	105,400	$ 4,266,407	$ 40,691	40	22,108	5.4%
2009	106,465	$ 4,484,620	$ 42,384	40	22,108	5.7%

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

FAYETTE COUNTY WATER SYSTEM

FULL-TIME EQUIVALENT WATER SYSTEM EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
"Unaudited"

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
FUNCTION										
Water:										
Water Plant Operators	21	24	24	26	26	29	29	28	28	28
Distribution	11	10	10	9	9	10	10	10	10	10
Total Wate	32	34	34	35	35	39	39	38	38	38
Administration:										
Director, customer ser	22	22	22	22	22	19	19	19	19	19
Meter Readers	7	7	7	6	6	5	5	5	5	5
Total Admi	29	29	29	28	28	24	24	24	24	24
TOTAL EMPLOYEES	61	63	63	63	63	63	63	62	62	62

Source: Fayette County Human Resources Department

FAYETTE COUNTY WATER SYSTEM

TOP TEN WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO
"Unaudited"

	2009			2000		
Taxpayer	Water Revenue	Rank	% of Water Revenue	Water Revenue	Rank	% of Water Revenue
City of Fayetteville	$ 302,251	1	2.50%	$ -		
Fayette County Board of Education	119,365	2	0.99%			
Fayette Community Hospital	86,590	3	0.72%	44,561	7	0.41%
Bo Trammell (Shiloh Mobile Home Pk)	55,028	4	0.46%	54,282	5	0.50%
Hoshizaki America	49,605	5	0.41%	65,928	3	0.61%
THI III Pt Lessee LLC	41,058	6	0.34%	-		
Fund IV PTC LLC	43,075	7	0.36%	-		
Inland South Management/Fayette Pavillion	41,665	8	0.34%	63,902	4	0.59%
Fayette Co BOC	41,396	9	0.34%	-		
Harmony Village	35,032	10	0.29%	-		-
Photocircuits Atlanta				249,518	1	2.31%
Photocircuits Atlanta				153,932	2	1.42%
Highway 54 Conference Center	-			48,397	6	0.45%
Aberdeen Woods	-			40,607	8	0.38%
Marnelle Mobile Home Park				34,988	9	0.32%
Starrs Mill High School	-			31,981	10	0.30%
Totals	$ 815,065		6.75%	$ 721,127		7.28%
Total water revenue	$12,163,599			$10,824,656		

Source: Fayette County Water System

NOTE: Fourth Quarter Properties was the original owner of Fayette Pavilion. Inland Southest purchased the Fayette Pavilion from Fourth Quarter Properties. TDK/Electronic Corporation and Photocircuits Corporation are no longer in business.