



*Where Quality Is A Lifestyle*

# **FAYETTE COUNTY, GEORGIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2012**



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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

*Prepared by the  
Fayette County Finance Department*





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*Where Quality Is A Lifestyle*

December 27, 2012

Honorable Herb Frady, 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, 2012, 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 that is 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, 2012, 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 unqualified (i.e., clean) opinion that the Fayette County, Georgia's financial statements for the fiscal year ended June 30, 2012, 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 and 20.

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 21 through 37.

## 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 107,847 citizens. Some of the services which are available to at least a portion of those residents include police and fire protection; emergency medical services; court systems; library services; the construction and maintenance of highways, streets and infrastructure; fleet maintenance; buildings and grounds



maintenance; tax assessment and collection; planning and zoning; building permitting and inspections; recreational activities and cultural events; and inherent administrative support services.

The County also operates a potable water distribution system and a solid waste management system, which are shown as Enterprise Funds in this report. The Water System was established in 1965 and serves approximately 27,881 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. While all five commissioners are elected at large, each must reside in the district designated for their particular post. 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.

In geographical terms, Fayette County exhibits some excellent physical characteristics. Average rainfall is about 48.6 inches per year, and average temperatures range from a high of 87 degrees during the summer to a low of 34 degrees in the winter. With a year round average temperature of 61.4 degrees, the climate is very favorable consisting of warm summers and moderate winters. Between these seasons, the Fayette County area is decorated with dogwoods, forsythias, magnolias, and azaleas blooming in the spring and colorful change of leaves in the fall. The general terrain of the area is characteristic of the Piedmont region of Georgia. One will find hills with broad ridges, sloping uplands and relatively narrow valleys. Land elevations within the County range from 720 to 1,005 feet above sea level.

Another 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". Fayette County has a number of favorable attributes that have served to attract the 107,847 residents that were estimated to have lived here in 2011. Sales information obtained from the Georgia Multiple Listing Service (MLS) indicates the average sales price of a home in Fayette County for April 2011 through March 2012 was \$222,844. This recent sales data compares favorably with the numbers from other counties located on the south side of Atlanta (i.e., Coweta at \$154,659, Henry at \$109,267 and Clayton at \$48,745). And according to the Census data for Fayette County for 2011, the estimated median household income was \$83,395 with the average for this income metric being \$100,429. With there being 39,026 households, the per capita income computes out to be \$43,571.

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. For example, Fayette County's crime rate per thousand of population is 15.4 and to put that number in perspective, it is less than half the national average of 33.4. And the ISO rating that the County's Fire Department has attained for its service level results in our residents paying far less on their home insurance premiums.

The 2010 Census data indicates that the median age of the County's population is 42.4 years. However, further breakdown of the data reveals that 12.5% of our population is over 65 years of age which is much higher than the other Metro Counties. To help serve the medical needs of this older population, the Piedmont Fayette Hospital is a 157-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 2010 American Community Survey, 92.7 percent of the students completed high school in Fayette County compared to a State-wide average of 80.8 percent. And of those that received their high school diploma, 91% chose to continue their education. Data from the Georgia Public Education Report Card for 2010-2011 shows that the average Scholastic Aptitude Test (SAT) scores for Fayette County students was 1,550 and compares quite favorably to the State average of 1,431 and the National average of 1,483.

#### 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 from the Bureau of Economic Analysis in regards to financial activity in the third quarter of calendar year 2012 are highlighted in the following bullet points:

- Real gross domestic product (GDP) increased 2.0 percent in the third quarter of 2012 after increasing 1.3 percent in the second quarter;
- Consumer spending on goods accelerated during the second quarter reflecting an upturn in durable goods and motor vehicles;
- Residential housing investment accelerated as single-family structures picked up;
- Business investment turned down as spending on equipment and software slowed; and
- Net exports also subtracted from growth.

In his November 14, 2012 economic forecast, Dr. Rajeev Dhawan, Director of the Economic Forecasting Center at Georgia State University's J. Mack Robinson College of Business, provided his thoughts on the national economy. His take is that the domestic confusion and uncertainty triggered by the looming "fiscal cliff" are causing more harm to the U.S. economy than the economic slowdowns in Europe and Asia.

"The damage from the fiscal cliff is done and playing out now," Dhawan writes in his quarterly publication, Forecast of the Nation. He goes on to pose the really important question when he

remarks, "The real issue is can we contain the damage?". The forecaster offers a conditional "yes", contingent upon the President and Congress reaching a credible compromise that assuages the capital markets. Dhawan contends that striking a deal is all the more imperative because the United States must look domestically for sparks to ignite economic growth in the coming year – as it had done during the 1990's. The underlying reason for his position is that exports are down, falling 3.5 percent in the third quarter of calendar year 2012, which was a sharp reversal from the 7.0 percent growth in the second quarter.

In reference to what is occurring across the Atlantic, the Director asserts, "Don't expect the Europeans to solve their debt problems any time soon. Growth will be a luxury item out of Europe's reach for the coming years". Turning his attention to the Pacific region, Dhawan concludes that China has in the past provided a "release value" for U.S. and German industrial and electrical machinery exports. But China's growth has slowed appreciably and efforts to dampen home price inflation in the big cities there have led to a slowdown in that sector of the economy.

**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 U.S. Census Bureau's 2010 American Community Survey 5-year estimate, 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 from the 2000 Census' County-to-County Worker Flow Files indicate that there were 45,146 employed residents in Fayette County. Of that number, 16,977 or about 37.6 percent worked at jobs located in the County. Conversely, that means that 62.4 percent commuted outside the County for employment. The two most frequent destinations for Fayette County's

work force were Fulton and Clayton Counties at 32.7% and 13.4%, respectively. Those percentages are 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 2011, there was an average of 3,368 industries located in Fayette County that produced 36,761 jobs. Of that total, 476 industries were labeled as "Goods Producing" and accounted for 4,587 jobs or 12.5 percent of the total. By far, the largest component was the "Service Providing" industries. That segment totaled 2,698 firms and represented 26,778 jobs or 72.8 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. However, this latest downturn has hit hard, and the city and the surrounding counties have felt the full effects. Marked by significant job losses, a significant drop in tax collections and an upward trend in foreclosures, the Georgia economy continues to struggle to find the necessary momentum for a full economic recovery.

The Atlanta area has been adversely impacted by the housing market that are still struggling as well as the slow pace of job growth among service-producing industries. The housing market remains in the doldrums because of a full pipeline of foreclosures and a large number of distress sales which keep downward pressure on house prices. But the good news is the rapid repair of household balance sheets which were extremely distressed following the collapse of the housing market. Mortgage loan volumes have fallen significantly over the past several years to levels last seen in 2006.

While this reduction in mortgage volumes has certainly been painful to the local community, it does mean that households that had taken on huge mortgage debt have moved out from under that burden. In Georgia which actually entered the recession late, the debt service burden has fallen back to nearly the U.S. average. And the pullback on nonmortgage consumer credit has brought down the total debt service burden even more. Given the rise in debt burdens during the years preceding 2008, the sharp downturn in labor markets during the recession, and the subsequent struggle to pay off consumer debt and to restructure mortgage debt, there would appear to be considerable pent-up demand for goods and services that should help to boost the local economy going forward.

The economic outlook for Fayette County remains stable as a result of cost cutting initiatives begun by management five years ago. This proactive approach has positioned the County to be able to face the current economic climate and maintain a strong financial position. Property values did see a decline again in the current year; however, the overall decline has been mild

compared to that found in some of the surrounding areas. One of the benefits of having a skilled work force is that the unemployment rate continues to remain lower than the state and national averages. For September 2012, the rate for Fayette County was 7.3 percent compared to the State average of 9.0 percent and the national average of 7.8 percent.

And the local economy is showing some other signs of renewed economic growth. For example, revenue collections from the local option sales tax increased by \$438,557 or 4.6 percent for the 2012 fiscal year. The upscale retail centers located in Fayette County remain a shopping destination for many residents of the surrounding counties.

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 Dr. Dhawan's Economic Forecasting Center's November 2012 report include the following projections:

- Georgia's unemployment rate will average 9.1% in 2012 and will drop to 8.9% in 2013;
- Atlanta's employment base is expected to grow in 2012 by 39,200 jobs (i.e., 1.7% annual growth) with 7,800 being premium or higher paying jobs. In 2013, Atlanta's economy will add 40,900 jobs (1.5% growth) including 7,800 premium jobs;
- Atlanta's housing permits will increase by 56.4% in 2012 to 13,191 units primarily because of a boost in multifamily housing permits (96.7%). Single family permits will rise by 40.4% for 2012. Permit activity will increase by 3.3% in 2013, with single family permits increasing barely by 1.8% and multifamily permits growing by 6.0%; and
- Nominal personal income in Georgia will rise by 3.8% in 2012, followed by another increase of 3.9% in 2013.

#### 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 the past fiscal year, construction activities have continued on the West Fayetteville By-Pass and a number of intersection improvements have been made. 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. In addition, it is important to our business community to make travel pleasant as possible for those that want to work and shop in the County.



As a member of the Metropolitan North Georgia Water Planning District (MNGWPD), the County took a major step during the 2012 fiscal year in protecting the water quality of the surface water which is the primary source for our drinking water. On January 1, 2012, the County created a new Stormwater Utility to help ensure compliance with stricter federal and state water quality standards. Using a new dedicated source of funding for this purpose (i.e., a stormwater fee based on the amount of impervious surface located on a property), the County will be able to ensure that stormwater management devices are designed and working properly. In terms of basic surface delivery, it will provide preventative maintenance and repairs of all stormwater structures within the right-of-way and all pipes directly connected to the right-of-way.

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 5.5 million and the local area experiencing drought like conditions in the recent past, 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. During the summer months, the County completed the construction of Lake McIntosh which is a 650-acre raw water reservoir located on Line Creek which borders Fayette and Coweta Counties. When it reaches capacity, total raw water reserves should be sufficient to meet our customers' potable water needs for years to come.

The County also continues when possible to take advantage of the capital markets during this period of low interest rates on debt. During the fiscal year, a financial plan was put into place to refund a portion of the outstanding water revenue bonds. The issuance of the 2012B Series Revenue Bonds in July 2012 for this purpose reduced our total debt service payments over future years by more than \$2.867 million. These savings will help offset the additional debt service incurred with the issuance of the 2012A Series Revenue Bonds.

#### LONG-TERM FINANCIAL PLANNING

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. In the past, the fair market value of real property had served as an excellent basis for funding governmental services since it had proven to be extremely stable and reliable. And theoretically, the amount of taxes that are paid is in direct proportion to the property owner's investment in the community. In terms of the benefits being received from these taxes, there is often said to be a direct relationship between the quality of the services being provided and the fair market value of the property being served.

When the housing bubble burst in 2008, it had a significant adverse impact on the fair market value of real property. With many people losing their jobs during this recession, they also lost their homes to foreclosure or were forced to sale at depressed market prices. And as the fair market value of homes declined during this period, the tax digest that supported governmental

services decreased correspondingly. The assessed values for the 2011 tax digest (which funded the FY 2012 budget) decreased by \$209,856,957 or 4.2%. And with additional properties making their way through the foreclosure process and entering the real estate market, the assessed values for the 2012 tax digest fell by \$488,291,304 or 10.2%.

With many of our residents being adversely impacted by the recession, there was hesitancy in the past to adjust the millage rate to a revenue neutral position to offset a declining tax digest. The impact of losing more than 14 percent of our tax revenues in the General Fund during the last two years has resulted in an unsustainable fiscal policy. Thus, the challenge going forward will be to determine what level of services our citizens are willing and able to pay for and/or which services should be eliminated. While no one likes to pay taxes, the services that those taxes provide are often necessary and represent the quality of life considerations that have to be part of any decision.

A second issue on the immediate horizon that will have to be addressed is the pro rata distribution of the local option sales tax (LOST) between the County and the municipalities. Each local government in the County has been adversely impacted financially by the recession and a tax digest that continues to shrink. Thus, they too are in need of additional revenues to fund the services that they provide. Given the current economic environment and competing financial interests, the challenge will be to reach an agreement where ad valorem tax relief is equitably provided to all citizens of the County.

#### CASH MANAGEMENT POLICIES AND PRACTICES

Cash temporarily idle during the year was invested in accordance with allowable investments per Georgia law. The County earned interest revenue of \$1,107,407 on all investments of the Governmental and Proprietary Fund-Types for the year ended June 30, 2012. 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, 2012, 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, 2011. The County has received this award for each of the last nineteen 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.

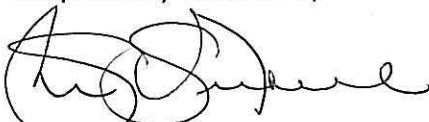
In addition, Fayette County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for fiscal year 2012. This represents the fifteenth consecutive year that the County has received this particular award. In order to qualify for the award, the County's 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 Chairman and members of the Board of Commissioners for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. We believe that the accomplishments that have been identified in this transmittal letter and the accompanying MD&A section clearly indicate that the Board of Commissioners has effectively and efficiently planned and managed the resources that were entrusted to them by the Citizens of the County.

Respectfully submitted,



Jack J. Krakeel  
County Administrator



Mary S. Holland  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fayette County  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Linda C. Davidson*

President

*Jeffrey R. Emer*

Executive Director



**Fayette County, Georgia  
List of Principal Officials  
June 30, 2012**

*Elected County Officers*

Board of Commissioners:

Post 2, Chairman..... Herb Frady  
Post 1, Vice Chairman..... Robert Horgan  
Post 3 ..... Lee Hearn  
Post 4 ..... Steve Brown  
Post 5 ..... Allen McCarty

Clerk of Courts..... Sheila Studdard  
Probate Court Judge..... Ann Jackson  
Sheriff..... Wayne Hannah  
Tax Commissioner ..... George Wingo

*Principal Officials*

County Administrator..... Jack J. Krakeel  
County Attorney..... Scott Bennett  
Chief Financial Officer ..... Mary S. Holland  
County Purchasing Agent..... Ted Burgess  
County Clerk..... Floyd Jones

Community Development..... Pete Frisina  
E911 Communications Center..... Cheryl Rogers  
Fire and Emergency Services..... Chief Allen McCullough  
Human Resources ..... Lewis Patterson  
Information Systems ..... Russell Prince  
Library ..... Chris Snell  
Parks and Recreation ..... Anita Godbee  
Public Works ..... Phil Mallon  
Utility Services..... Tony Parrott

*Special Services Providers*

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

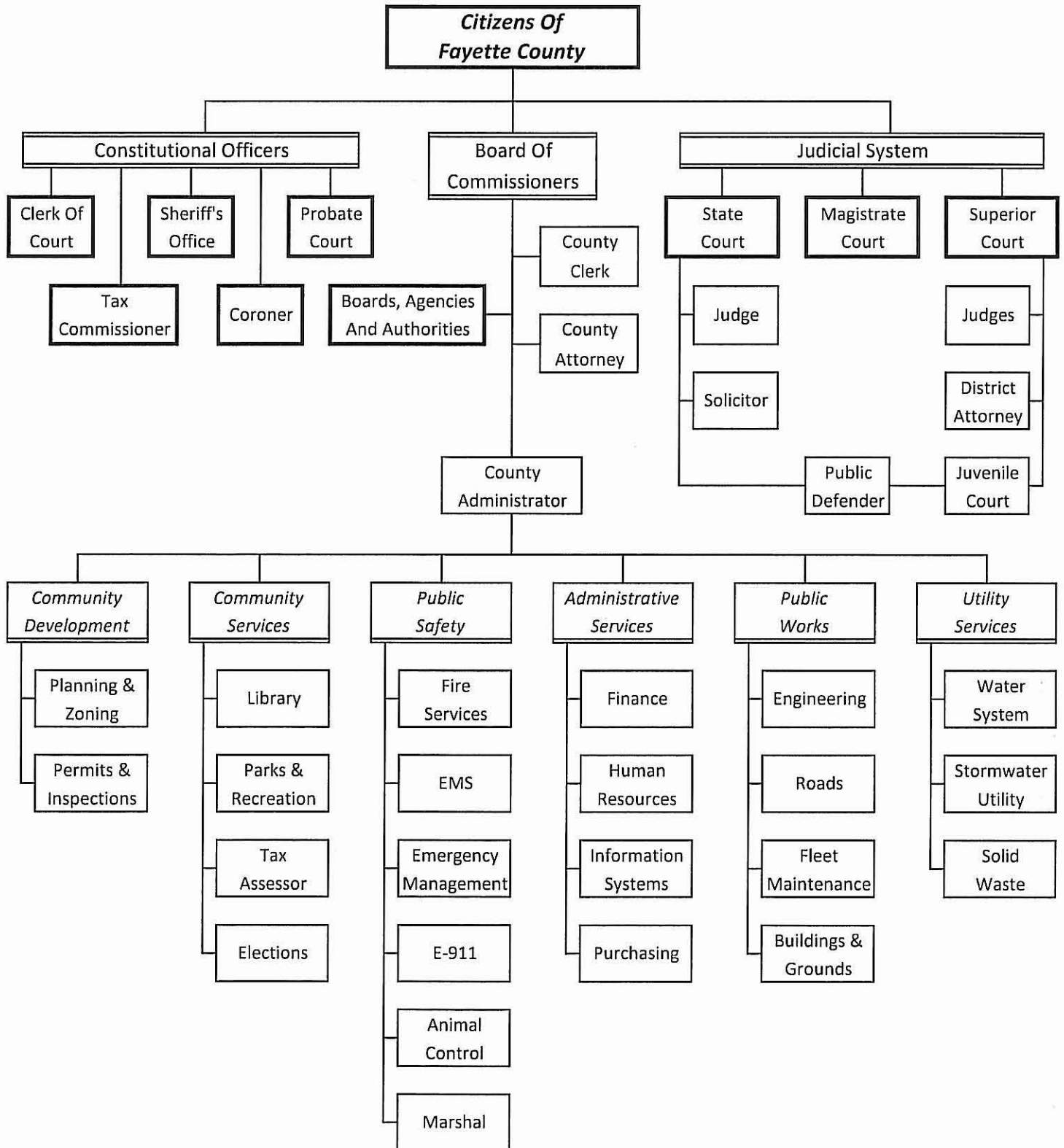
**Fayette County, Georgia  
Board of Commissioners  
Fiscal Year Ended June 30, 2012**



Standing left to right: Steve Brown, Robert Horgan  
Seated left to right: Allen McCarty, Herb Frady, Lee Hearn

**County Commission Mailing Address:**  
140 Stonewall Avenue West  
Suite 100  
Fayetteville, Georgia 30214  
Phone: 770.305.5200  
Fax: 770.305.5210

# Fayette County, Georgia Organizational Chart



**Fayette County, Georgia  
Service Delivery Principles  
Fiscal Year Ended June 30, 2012**

***VISION STATEMENT***

We envision a local level of government that remains open and easily accessible to all citizens and does so in a manner that generates trust and confidence among taxpayers, employees and elected officials.

***MISSION STATEMENT***

The Mission of Fayette County Government is to provide critical services to protect and enhance the health, safety and welfare of its citizens in a manner that is efficient, fiscally and environmentally responsible, and which perpetuates a quality lifestyle for future generations.

***STATEMENT OF ORGANIZATIONAL VALUES***

- The programs and services provided by Fayette County Government are responsive to and prioritized in accordance with community expectations and legislative mandates, while simultaneously ensuring the health, safety and welfare of citizens.
- All County Government services are grounded in respect and concern for citizens.
- The County strives always to work for the benefit of all citizens and consistently takes our citizens' interests and needs into consideration when making decisions.
- Cooperation, trust and teamwork are hallmarks of our service delivery values.
- Our Organization embodies a culture that values open communication, effective community relationships, and excellence in all endeavors.
- We are committed to excellence, we value our employees and their abilities, and we are committed to ensuring their safety and security through effective staffing and competitive compensation.
- We seek always to improve our services through innovation, integrity and competence.

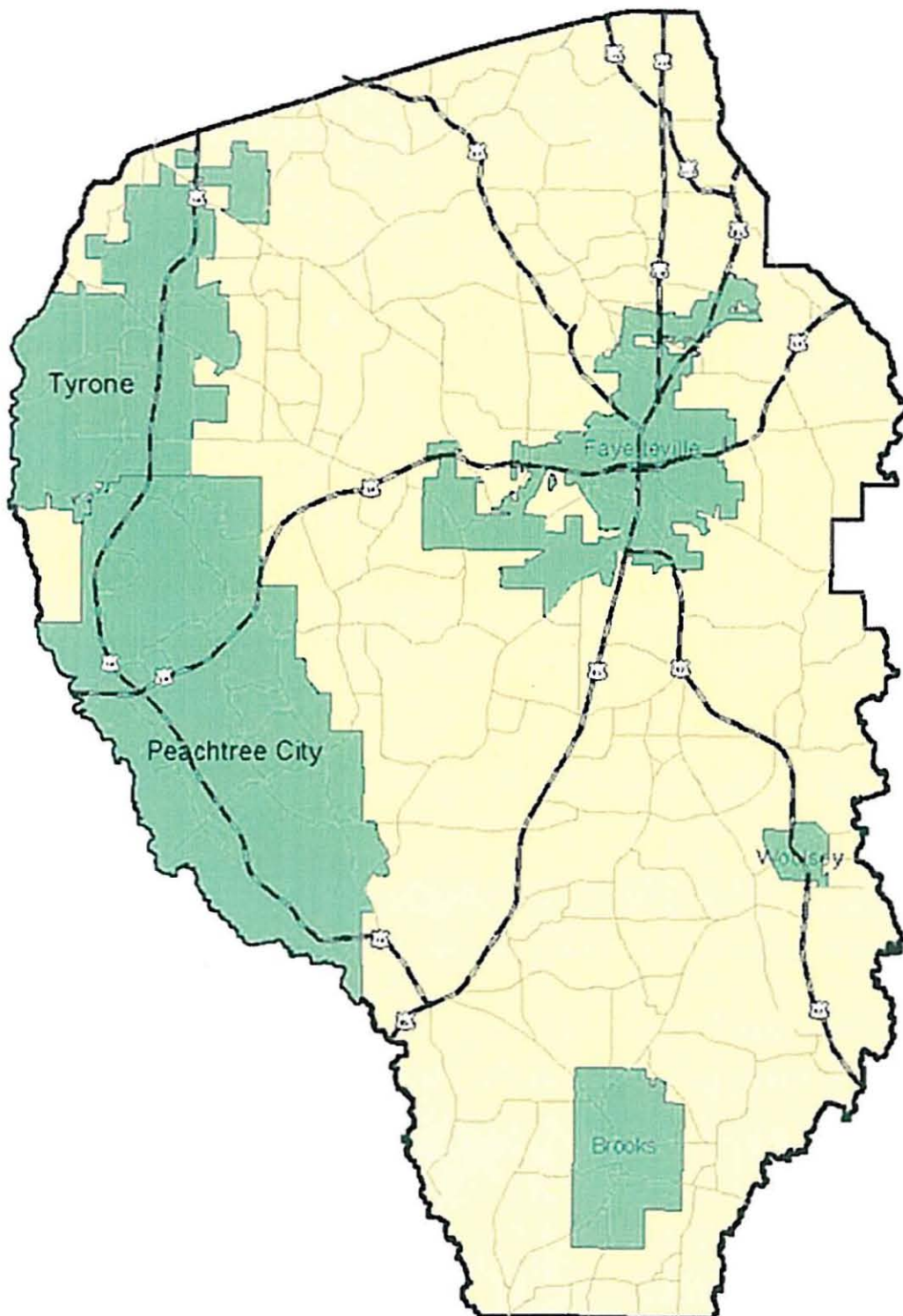
Fayette County, Georgia  
Map of Metropolitan Atlanta Area  
Fiscal Year Ended June 30, 2012



*Fayette County*



Fayette County, Georgia  
Jurisdiction and Road Map of Fayette County  
Fiscal Year Ended June 30, 2012





## **FINANCIAL SECTION**

This Section Contains the Following Subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS







## NICHOLS, CAULEY & ASSOCIATES, LLC

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### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fayette County, Georgia, (the County), as of June 30, 2012, and for the year then ended, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fayette County Department of Public Health and the Fayette County Development Authority, the discretely presented component units of the County. Those financial statements, were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fayette County Department of Public Health and the Fayette County Development Authority is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fayette County, Georgia, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Fayette County Board of Commissioners  
Fayette County, Georgia

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information on pages 21 through 37 and 91 through 96 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to Management's Discussion and Analysis and Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Richards, Cauley & Associates, LLC*

Atlanta, Georgia  
December 27, 2012



**Fayette County, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**

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, 2012. 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, 2012 by \$265,658,463 (*Net Assets*). Of this amount, \$50,174,841 (*Unrestricted Net Assets*) can be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's *Total Net Assets* at June 30, 2012 decreased by \$5,990,085 or about 2.2% compared to the previous year's balance. Some of the primary reasons for this decrease in *Total Net Assets* were the impact on operating revenues of the poor economic conditions, the appropriation of fund balance to balance governmental fund operating budgets, the decrease in the net assets of the Internal Service Funds, and the funding of the OPEB liability on the pay-as-you-go basis.
- At the close of the current fiscal year, the County's Governmental Funds reported combined ending fund balances of \$103,562,720. This amount represented a decrease of \$8,323,473 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 \$6,042,182. This amount represented about 12.5% of the total of Expenditures and Operating Transfers Out for the 2012 fiscal year. The Unassigned Fund Balance would be sufficient to cover about one and a half months' of operations if needed.
- Fayette County's total long-term debt increased by about \$2.4 million for the fiscal year. The issuance of \$8,070,000 in additional water revenue bonds was partially offset by the scheduled annual debt service payments on revenue bonds and capital leases, and the unscheduled redemption of \$1.889 million in Certificates of Participation.

<b>Overview of the Financial Statements</b>
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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 Assets*" and the "*Statement of Activities*". These statements use accounting methods similar to those used by private-sector companies.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two being reported as *Net Assets*. 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 Assets* 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 assets changed during the most recent fiscal year. All changes in net assets 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 and 41 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 42 through 45 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 46 through 50 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 51 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 53 through 89 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 91 through 96 of this report.

The combining statements referred to earlier in connect with *Nonmajor Governmental 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 99 through 127 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 Assets

As noted earlier, *Net Assets* may serve over time as a useful indicator of a government's financial position. In the case of Fayette County, *Assets* exceeded *Liabilities* by \$265,658,463 at the close of the most recent fiscal year. The condensed financial information for Fayette County, Georgia's Net Assets as of June 30, 2012 and 2011 is presented in the following table.

<b>FAYETTE COUNTY, GEORGIA'S NET ASSETS</b>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
Current and Other Assets	\$116,853,435	\$126,317,153	\$ 34,654,041	\$ 29,673,874	\$151,507,476	\$155,991,027
Capital Assets (Net)	<u>118,881,927</u>	<u>116,817,913</u>	<u>110,385,380</u>	<u>108,336,508</u>	<u>229,267,307</u>	<u>225,154,421</u>
Total Assets	<u>\$235,735,362</u>	<u>\$243,135,066</u>	<u>\$145,039,421</u>	<u>\$138,010,382</u>	<u>\$380,774,783</u>	<u>\$381,145,448</u>
Long-Term Liabilities Outstanding	\$41,009,559	\$44,732,667	\$57,856,815	\$51,883,528	\$ 98,866,374	\$ 96,616,195
Other Liabilities	<u>8,515,864</u>	<u>6,564,365</u>	<u>7,734,082</u>	<u>6,316,340</u>	<u>16,249,946</u>	<u>12,880,705</u>
Total Liabilities	<u>\$49,525,423</u>	<u>\$51,297,032</u>	<u>\$65,590,897</u>	<u>\$58,199,868</u>	<u>\$115,116,320</u>	<u>\$109,496,900</u>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	\$ 80,352,869	\$ 76,507,099	\$61,628,316	\$63,105,257	\$141,981,185	\$139,612,356
Restricted	<u>59,847,388</u>	<u>64,926,038</u>	<u>13,655,049</u>	<u>14,127,960</u>	<u>73,502,437</u>	<u>79,053,998</u>
Unrestricted	<u>46,009,682</u>	<u>50,404,897</u>	<u>4,165,159</u>	<u>2,577,297</u>	<u>50,174,841</u>	<u>52,982,194</u>
Total Net Assets	<u>\$186,209,939</u>	<u>\$191,838,034</u>	<u>\$79,448,524</u>	<u>\$79,810,514</u>	<u>\$265,658,463</u>	<u>\$271,648,548</u>

As indicated by the tabular information above, the largest portion of the County's *Net Assets* (i.e., 53.4% 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 Assets* also demonstrates the capital intensive nature of operating a county government. The \$229,267,307 in *Capital Assets* (net of accumulated depreciation) that are owned by the County represents roughly 60 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 Assets*, *Restricted Net Assets* were \$73,502,437 which translates into roughly 27.7 percent of the total. *Restricted Net Assets* represent resources subject to external restriction on how they may be used. For the *Governmental Activities*, the balance of \$59,847,388 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 assets are restricted to highway and bridge construction projects. And for the *Business-Type Activities*, the \$13,655,049 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 Assets* component was \$50,174,841 and represents roughly 18.9 percent of the total. *Unrestricted Net Assets* 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 Assets*, 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 a decrease of \$4,395,215 in *Unrestricted Net Assets* reported in connection with the County's *Governmental Activities*. The principal reasons for this decrease were the decision by the Board to use a portion of *Governmental Fund* fund balances to balance the operating budgets due to the current economic conditions, an increase in payroll related accruals for the year, and the underfunding of Internal Service Fund activities.

In the *Business-Type Activities* component, there were significant increases reported for both the *Assets* and *Liabilities* for the 2012 fiscal year. The principal reason for these increases was the issuance of the 2012A series revenue bonds for the Water System. There was also an increase in the *Unrestricted Net Asset* component which was due to the creation of the new Stormwater Utility on January 1, 2012.

### **Analysis of Changes in Net Assets**

The following tabular information represents the condensed presentation of revenues, expenses and changes in net assets for the fiscal years ended June 30, 2012 and 2011. Some of the information for the prior fiscal year has been restated so that it is comparable with the presentation of financial information for the current fiscal year. As indicated by the information in the table, the *Net Assets* for the fiscal year ended June 30, 2012 decreased by \$5,990,085. These most recent operating results compare unfavorably with the prior year when *Net Assets* increased by \$3,532,183.



**FAYETTE COUNTY, GEORGIA'S CHANGES IN NET ASSETS**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
<b>Revenues:</b>						
Program Revenues:						
Charges For Services	\$ 7,953,509	\$16,296,025	\$15,003,294	\$14,429,449	\$22,956,803	\$30,725,474
Operating Grants and Contributions	947,402	994,814	--	--	947,402	994,814
Capital Grants and Contributions	598,070	204,367	116,920	379,232	714,990	583,599
General Revenues:						
Property Taxes	36,089,255	35,889,332	--	--	36,089,255	35,889,332
Sales Taxes	10,011,105	9,733,115	--	--	10,011,105	9,733,115
Other Taxes	3,247,599	3,404,043	--	--	3,247,599	3,404,043
Unrestricted Investment Earnings	905,075	391,771	10,561	5,552	915,636	397,323
Miscellaneous Revenues	834,182	1,379,392	--	43,536	834,182	1,422,928
<b>Total Revenues</b>	<b>\$60,586,197</b>	<b>\$68,292,859</b>	<b>\$15,130,775</b>	<b>\$14,857,769</b>	<b>\$75,716,972</b>	<b>\$83,150,628</b>
<b>Expenses:</b>						
General Government	\$13,747,299	\$13,911,254	\$ --	\$ --	\$13,747,299	\$13,911,254
Judicial System	5,570,703	5,150,662	--	--	5,570,703	5,150,662
Public Safety	35,486,701	34,914,150	--	--	35,486,701	34,914,150
Public Works	5,109,741	5,409,834	--	--	5,109,741	5,409,834
Health and Welfare	765,345	761,169	--	--	765,345	761,169
Culture and Recreation	2,563,090	2,511,883	--	--	2,563,090	2,511,883
Housing and Development	1,408,138	1,277,307	--	--	1,408,138	1,277,307
Interest and Fiscal Charges	2,102,925	2,182,282	--	--	2,102,925	2,182,282
Water System	--	--	14,432,774	13,336,098	14,432,774	13,336,098
Solid Waste	--	--	333,225	163,806	333,225	163,806
Stormwater Utility	--	--	187,116	--	187,116	--
<b>Total Expenses</b>	<b>\$66,753,942</b>	<b>\$66,118,541</b>	<b>\$14,953,115</b>	<b>\$13,499,904</b>	<b>\$81,707,057</b>	<b>\$79,618,445</b>
Increase (Decrease) in Net Assets Before Transfers	(\$6,167,745)	\$ 2,174,318	\$ 177,660	\$ 1,357,865	(\$5,990,085)	\$ 3,532,183
Transfers	539,650	706,057	(539,650)	(706,057)	--	--
<b>Increase (Decrease) in Net Assets</b>	<b>(\$5,628,095)</b>	<b>\$ 2,880,375</b>	<b>(\$361,990)</b>	<b>\$ 651,808</b>	<b>(\$5,990,085)</b>	<b>\$ 3,532,183</b>
<b>Net Assets – Beginning (as Restated)</b>	<b>191,838,034</b>	<b>188,957,659</b>	<b>79,810,514</b>	<b>79,158,706</b>	<b>271,648,548</b>	<b>268,116,365</b>
<b>Net Assets – Ending</b>	<b>\$186,209,939</b>	<b>\$191,838,034</b>	<b>\$79,448,524</b>	<b>\$79,810,514</b>	<b>\$265,658,463</b>	<b>\$271,648,548</b>

**Governmental Activities.** Of the total decrease in Net Assets for the fiscal year ended June 30, 2012, \$5,628,095 was attributable to the *Governmental Activities*. In comparing the operating results between the two fiscal years, the more significant points are discussed below:

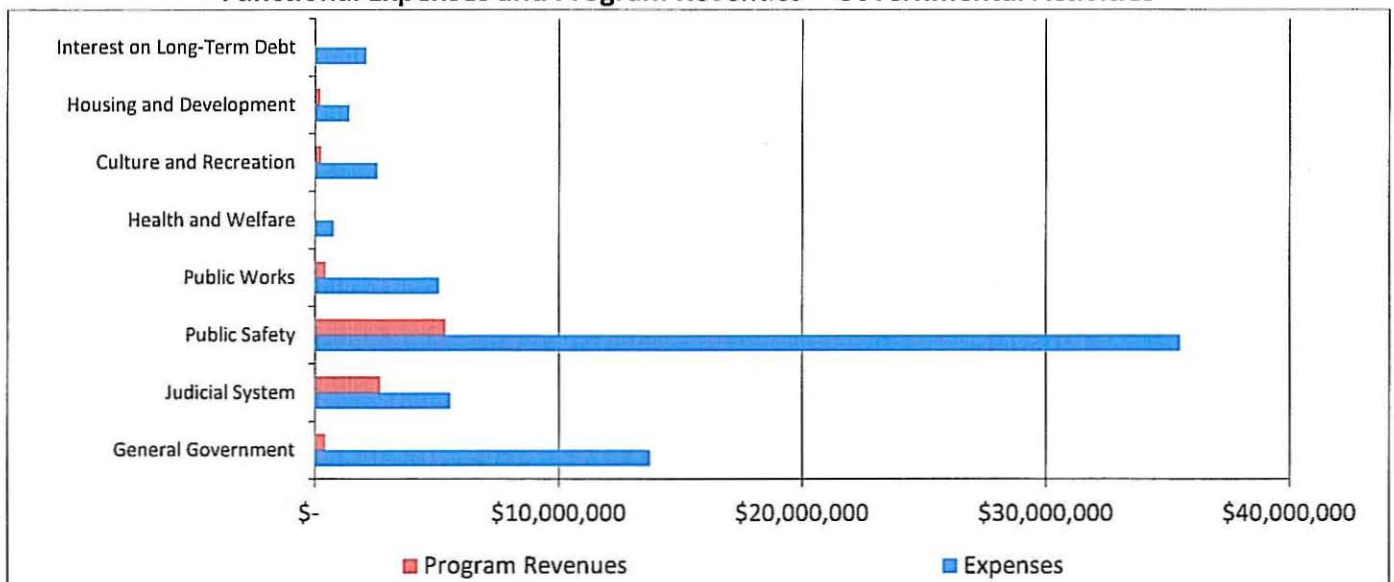
- The *Charges for Services* category decreased by \$8,342,516 from the prior year's amount. A portion of this decrease was attributable to accounting adjustments necessitated by the underfunding of the Internal Service Funds during the 2012 fiscal year. In addition, revenues from Fines and Forfeitures were about \$2.2 million lower than the previous year due to the sporadic receipt of funds related to the prosecution of illegal drug cases. And because of the current economic conditions, revenues were lower from sources such as *Licenses and Permits*.
- The increase of \$199,923 shown in the *Property Tax* category is slightly misleading since the tax digest actually decreased from tax year 2010 to 2011. The reason for the additional property taxes being reported was the creation of the new Emergency 911 Special Tax District for the 2012 fiscal year in which \$939,780 in new property taxes was collected.

- The increase of \$513,304 in the *Unrestricted Investment Earnings* category is primarily attributable to the interest income that had been earned on the proceeds from the issuance of the Certificates of Participation (COP's) and was programmed to reduce borrowing costs on any capital leases. When a portion of the outstanding COP's was redeemed early, these funds were no longer restricted to that original purpose.

For the most part, there were only minor variations in the functional expenses between the two fiscal years. However, the *Public Works* function did experience a decrease in expenses of \$300,093 primarily as a result of the capitalization of road construction costs. As a general rule when comparing two years of operating expense data, some fluctuations will typically result from sporadically occurring expenditures (e.g., election expenses, roof repairs) and changes in the demand for certain services (e.g., recreational programs, snow removal).

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 \$66,753,942 in Total Governmental Activities Expenses for the 2012 fiscal year, \$9,498,981 is covered by Program Revenues. The net functional expenses of \$57,254,961 are funded through General Revenues such as taxes and interest income.

**Functional Expenses and Program Revenues – Governmental Activities**

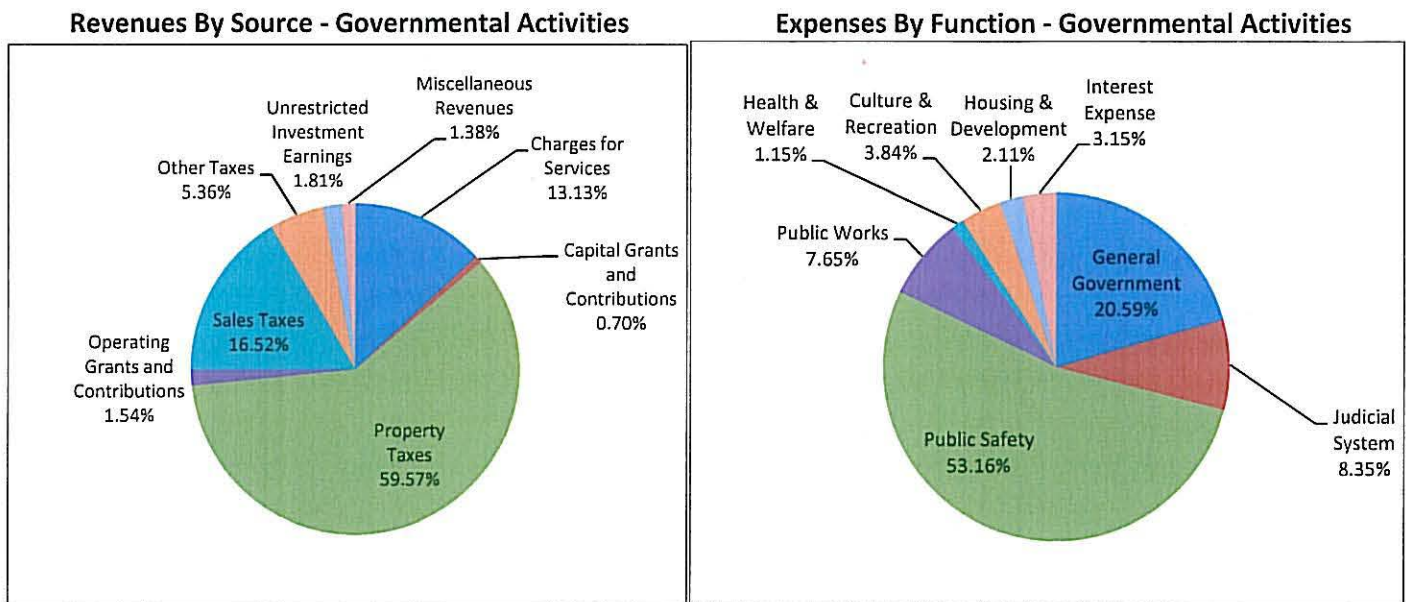


As with any government, management attempts to achieve the right mix between revenue sources and services. While the intrinsic nature of certain services, such as recreational programs and building inspections, lends themselves to the assessment of user fees to offset the cost of delivering that service; 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, 2012. 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. One of the reasons that the General Government function ranks as the second greatest expense is that the depreciation expense for infrastructure and governmental buildings is included in this component.



**Business-Type Activities.** Of the total decrease in Net Assets for the fiscal year ended June 30, 2012, \$361,990 was attributable to the *Business-Type Activities*. In comparing the operating results between the two fiscal years, the key elements are discussed below:

- The *Charges for Services* category increased by \$573,845 compared to the results for the previous fiscal year. \$300,333 of the additional revenues is attributable to the new Stormwater Utility Fund that became operational on January 1, 2012. In addition, Water System revenues increased by \$281,799 due to the higher water consumption resulting from less rainfall than in a normal year.
- *Total Expenses* for the fiscal year ended June 30, 2012 increased by \$1,453,211 compared to the previous fiscal year. As was the case with revenues, the new Stormwater Utility accounted for \$187,116 of the increase. Expenses for the Solid Waste Fund increased by \$169,419 primarily due to additional landfill postclosure expenses that were incurred during the year. The increase of \$1,096,676 in Water System expenses is primarily attributable to losses incurred on the disposal of capital assets and additional costs associated with the installation of the new radio read meters.

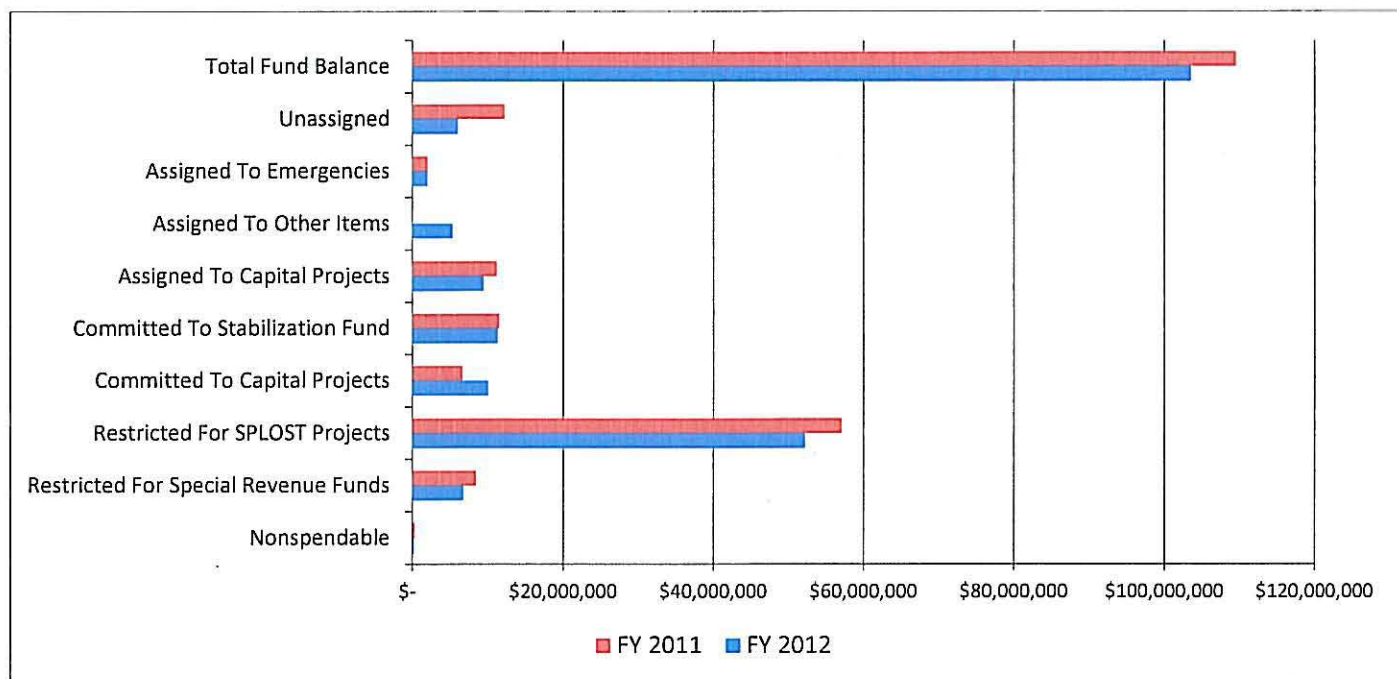
#### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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.

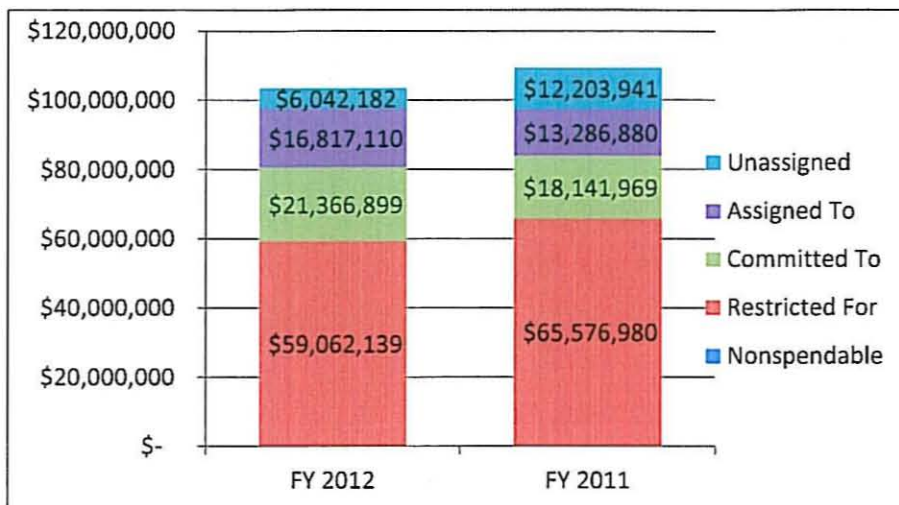
The following bar chart compares the fund balance information at June 30, 2011 and 2012. At the top of the chart is a comparison of the total for the two years. The items below "Total Fund Balance" provide an overview of how the various components of fund balance has changed as a result of the operating activity for the 2012 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, 2012, Fayette County's *Governmental Funds* reported combined ending fund balances of \$103,562,720, a decrease of \$8,323,473 or about 7.44 percent in comparison with the previous fiscal year. There are specific spending patterns and budgetary decisions that are responsible for the majority of the decrease. First, the fund balances of the two SPLOST Road Capital Projects Funds decreased by a total of \$4,879,301 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 now 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 entire \$52,244,895 is exhausted.

Secondly, the Board of Commissioners has adopted the fiscal policy of using its *Unassigned Fund Balance* to pay for capital improvement projects in each budget cycle. As part of the adoption of the original FY 2012 budget, it committed \$3,773,844 for that purpose. And thirdly, the Sheriff's Office used a significant portion of the monies in the Confiscated Assets Special Revenue Fund to address some of its computer and software needs.





To get a good understanding of the availability for appropriation in future periods or the "spendability" of the \$103,562,720 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 on the left depicts these components.

In looking at the first item in the report, only \$274,390 or 0.26% of the total is reported in the "Nonspendable" category. This amount represents inventory and prepaid items 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 \$59,062,139 and comprises 57.0% 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., \$6,646,803) which are legally restricted for certain programs or services based on each individual fund's revenue stream, the two SPLOST Road Capital Projects Funds (i.e., \$52,244,895) which are restricted by referendum to road construction expenditures and the Library SPLOST Capital Projects Fund (\$170,441) which is restricted by referendum to pay for library construction, programs, services and materials.

The aggregate amount for the "Committed To" category is \$21,366,899 and comprises 20.6% 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., \$10,066,728) which represents monies that the Board of Commissioners has committed to specific capital improvements, and a Stabilization Fund (\$11,300,171) 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 \$16,817,110 or about 16.2% 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), to liquidate encumbrances carried over into the following fiscal year (\$90,014), to balance the FY 2013 General Fund Operating Budget (\$2,841,872), to provide a source of funding for the five-year capital improvements plan (\$9,450,024), and to make additional pension fund contributions to offset the obligation created by the Early Termination Program (\$2,435,200).

The final component is the *Unassigned Fund Balance* for the General Fund. At June 30, 2012, the balance was \$6,042,182 which comprises 5.8% 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, 2012 and 2011, the *Total Fund Balance* of the General Fund was \$34,405,985 and \$37,273,344, respectively. The net change in the fund balance during the 2012 fiscal year was a decrease of \$2,867,359 or 7.7%. The principal cause of the decrease was the appropriation of a portion of the June 30, 2011 fund balance to provide funding for the capital improvements program in the 2012 fiscal year.

At June 30, 2012 and 2011, the *Unassigned Fund Balance* was \$6,042,182 and \$12,203,941, respectively. The principal reason for the decrease of \$6,161,759 in this component from the prior year was the Board's assignment of the existing fund balance during the 2012 fiscal year. Specifically, \$2,841,872 was programmed to balance the 2013 fiscal year budget and \$2,435,200 was allocated to liquidate the additional pension obligation associated with the Early Termination Program.

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, 2012, *Unassigned Fund Balance* represents 13.5 percent of total General Fund expenditures; while *Total Fund Balance* represents 76.9 percent of that same amount.

Total General Fund revenues for the fiscal years ended June 30, 2012 and 2011 were \$44,177,040 and \$44,015,192, respectively. As the flatness of the revenue stream compared to the prior year would indicate, the adverse economic conditions continue to impact the County's finances.

**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 \$2,663,651 at June 30, 2012, which represents a decrease from the prior year of \$102,157 or about 3.7%. The decrease in fund balance can be traced to the appropriation of fund balance for a capital improvement project. Again in measuring liquidity, *Total Fund Balance* for the Fire Services Fund represents 33.8 percent of its FY 2012 expenditures.

Faced with a declining property tax digest, the need to appropriate a portion of fund balance again to balance the operating budget and increasing service demands, the millage rate for the Fire District was increased for the 2012 fiscal year. The higher millage rate resulted in the increase in property tax revenues of \$725,955 compared to the previous year.

These additional revenues were needed to offset the increase in operating expenditures of \$573,267 for the year. The majority of the additional expenditures represented higher contributions to the major medical and workers' compensation self-insurance programs.

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. During the current year, the fund balance had a slight decrease of \$7,954.

Total revenues for the 2012 fiscal year were \$3,139,569 which represented a decrease of \$413,285 from the previous fiscal year. The decrease represented lower property tax revenues as a result of a lower millage rate adopted for this service and a decline in the tax digest. Total expenditures were \$3,107,416 for FY 2012 which represents an increase of \$267,140 compared to the prior year. Again, the higher expenditures were attributable to higher charges for the major medical self-insurance program.

County-Wide Roads SPLOST: The County-Wide Roads SPLOST Capital Projects Fund has a total fund balance of \$50,800,897, which represents a decrease from the prior year of \$4,702,438. 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 2005 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 only real difference between the financial data on the two statements is \$46,717 which represents an adjustment for underfunding the self-insurance programs during the 2012 fiscal year.

The *Total Net Assets* for the three *Proprietary Funds* was \$79,448,524 at June 30, 2012 which represented a decrease of \$361,990 from the previous year. While there were only two funds in the previous year, a third one was added for FY 2012. The Stormwater Utility Fund was created on January 1, 2012 with a new stormwater fee instituted to fund compliance activities required to meet stormwater regulations for certain watershed areas of the County.

The *Unrestricted Net Assets* of the Water System Enterprise Fund was \$3,024,701 at June 30, 2012 which represented an increase of \$1,683,797 compared to the previous year. The primary reason for this increase was the Board's decision to purchase of a large quantity of radio-read meters for inventory because of the per unit price differential offered by the selected vendor. Over the length of the multi-year meter swap-out program, this quantity discount saved \$999,344 compared to purchasing the same number of units on an as-needed-basis.

The *Net Assets* for the Water System were \$78,112,662 at June 30, 2012 which represents a decrease of \$415,013 during the 2012 fiscal year. The primary reason for the decrease was the expenses associated with replacing the old meters with the new radio-read meters.



## **General Fund Budgetary Highlights**

During Fiscal Year 2012, there was a net increase of \$1,683,999 in appropriations (i.e., expenditures and other financing uses) between the original and final amended budget. The major components of that net increase are as follows:

- \$835,908 in supplemental appropriations for various departments to reflect higher than anticipated claims expense in the County's Major Medical Self-Insurance Fund;
- \$285,637 in supplemental appropriations for the Road Department to fund additional road resurfacing projects and associated technical services;
- \$271,536 in supplemental appropriations for various departments to fund the unbudgeted salaries and fringe benefits associated with those employees opting to participate in the Early Termination Program;
- \$225,704 in supplemental appropriations for the Law Department and State Court Solicitor to cover unbudgeted litigation expenses incurred;
- \$175,000 in supplemental appropriations for Jail Operations to cover higher than anticipated prisoner medical expenses;
- \$143,273 in supplemental appropriations for various departments to cover higher than anticipated gasoline prices for the year;
- \$112,215 in supplemental appropriations for Public Safety function to cover higher than anticipated insurance claims expense and utilities;
- \$81,000 in supplemental appropriations for the Engineering Office to cover the salary and fringe benefits associated with the SPLOST road projects;
- \$75,773 in supplemental appropriations to various departments to reflect higher than anticipated claims expense in the County's Workers' Compensation Self-Insurance Fund;
- \$28,000 in supplemental appropriations for the Library to cover unbudgeted electricity costs associated with the building addition;
- \$25,000 increase in Transfers Out to the Jail Surcharge Special Revenue Fund to cover higher than anticipated cost of providing prisoner meals and a
- \$993,761 reduction in Debt Service expenditures to reflect the reallocation of the capital lease payments for the radio equipment to the E911 Tax District Special Revenue Fund.

The net increase was possible when the final property tax digest was higher than projected which allowed for \$1,225,000 in additional property tax revenues to be budgeted for the fiscal year. Also, the conservative approach for budgeting operating expenditures resulted in a positive variance of \$2,463,814 at the end of the year. As a point of clarification, the majority of the supplemental appropriations identified above actually represented the reallocation of budgeted dollars from savings in other line item expenditures at year-end as opposed to an increase in the operating budget in terms of additional appropriations.

## **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, 2012, amounts to \$229,267,307 (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, 2012 and 2011.

<b>FAYETTE COUNTY, GEORGIA'S CAPITAL ASSETS (Net of Depreciation)</b>						
<u>General Classification</u>	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2011</u>
Land	\$ 9,449,785	\$ 9,060,705	\$ 15,219,178	\$ 15,219,178	\$ 24,668,963	\$ 24,279,883
Buildings and Structures	51,455,863	52,694,602	20,792,251	22,539,846	72,248,114	75,234,448
Infrastructure	32,999,331	36,463,261	47,576,519	49,618,658	80,575,850	86,081,919
Improvements Other than Buildings	6,207,449	6,424,592	2,765,084	3,060,715	8,972,533	9,485,307
Machinery and Equipment	7,557,894	7,543,918	2,001,046	2,081,530	9,558,940	9,625,448
Construction in Progress	11,211,605	4,630,835	22,031,302	15,816,581	33,242,907	20,447,416
Total Capital Assets	<u>\$118,881,927</u>	<u>\$116,817,913</u>	<u>\$110,385,380</u>	<u>\$108,336,508</u>	<u>\$229,267,307</u>	<u>\$225,154,421</u>

The total increase in the County's investment in capital assets for the current fiscal year was \$4,112,886 or 1.83%. The increase can be further broken down into an increase of \$2,064,014 or 1.77% for the governmental activities and an increase of \$2,048,872 or 1.92% for the business-type activities.

The major capital asset events during the current fiscal year included the following:

- Construction activities on the Lake McIntosh raw water reservoir continued for the Water System Fund; construction in progress at the close of the fiscal year had reached \$15,594,653;
- A variety of street construction and intersection improvements were undertaken during the year. Land acquisition and construction activities continue on various phases of the West Fayetteville By-Pass. At the close of the fiscal year, construction in progress for the various projects totaled \$9,685,256;
- Land was purchased as the site for Fire Station Number 3 in Tyrone for \$389,080; and
- The building addition to the Library was completed in FY 2012 at a cost of \$844,638.

Additional information on Fayette County's capital assets is provided in Note III. C. which can be found on pages 72 through 74 of this report.

**Long-Term Debt.** At the end of the current fiscal year, Fayette County had total bonded debt outstanding of \$99,390,000. This total represents an increase of \$4,010,000 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, 2012 and 2011 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 2012</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2011</u>
Revenue Bonds	\$39,350,000	\$40,300,000	\$60,040,000	\$55,080,000	\$99,390,000	\$95,380,000

The \$39,350,000 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. The Public Facilities Authority Revenue Bonds have received a rating of "Aa1" from Moody's Investors Service and a rating of "AA+" from Standard and Poor's.

The \$60,040,000 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 April 2012, the County issued \$8,070,000 in Series 2012A Water Revenue Bonds. They were issued for the purpose of providing funding for needed upgrades to the Crosstown and the South Fayette Water Treatment Plants.

Additional information on Fayette County's long-term debt is provided in Note III. G. which can be found on pages 75 through 81 of this report.

### **Economic Factors**

As a general trend, the Southeastern States have been slower than the rest of the Country in their economic recovery from the recession that officially ended in July of 2009. And with the growth in Georgia's economy relying heavily on the construction industry, it has taken several years to absorb the significant impact from the bursting of the housing bubble. Some of the more important barometers of the current economic conditions are contained in the following bullet points.

- According to the U.S. Department of Labor, the unemployment rate for the United States in June 2012 was 8.2 percent which represented a decrease of 0.9 percent from the June 2011 rate of 9.1 percent. Following a similar trend, the jobless rate for the State of Georgia in June 2012 was 9.0 percent which was also down 0.9 percent from the previous June. The unemployment rate for Fayette County was 8.3 percent in June 2012 which is slightly above the national average but well below the state average.
- According to the Bureau of Labor Statistics, the Consumer Price Index (CPI) has increased by 1.7 percent from June 2011 to June 2012.
- According to the Georgia Department of Revenue, the approved Net Maintenance and Operation (M&O) Tax Digest for Fayette County decreased by \$209,856,957 or 4.2% from January 1, 2010 to January 1, 2011. And from January 1, 2011 to January 1, 2012, the M&O Tax Digest decreased by another \$488,291,304 or 10.2%.

All of these economic factors were taken into consideration when preparing the County's budget for the 2013 fiscal year.

## Next Year's Budget and Rates

During the current fiscal year, the *Unassigned Fund Balance* in the General Fund decreased from \$12,203,941 to \$6,042,182. One of the reasons for this decrease was that the County appropriated \$2,841,872 of its *Total Fund Balance* for spending in the 2013 fiscal year budget. With the current economic conditions adversely impacting the prosperity of our taxpayers, it is intended that the use of a portion of the available fund balance will avoid the need to raise the millage rate or charges during the 2013 fiscal year.

The millage rates adopted for the various tax-supported Governmental Funds for fiscal years 2013 and 2012 are shown in the following table. The only adjustment to the millage rate for the 2013 fiscal year budget was for the Fire Services Tax District Special Revenue Fund.

<u>Governmental Fund</u>	<u>MILLAGE RATES</u>		<u>NET CHANGE</u>	
	<u>FY 2013</u>	<u>FY 2012</u>	<u>AMOUNT</u>	<u>PERCENT</u>
General Fund (M&O)	5.645	5.645	0.000	0.000%
Fire Services	3.030	2.500	0.530	21.200%
Emergency Medical Services	0.450	0.450	0.000	0.000%
E911 Communications	<u>0.207</u>	<u>0.207</u>	<u>0.000</u>	<u>0.000%</u>
Total for All Funds	<u>9.332</u>	<u>8.802</u>	<u>0.530</u>	<u>6.021%</u>

For the 2013 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 [finance@fayettecountyga.gov](mailto:finance@fayettecountyga.gov), or by contacting the Finance Department at the following address and telephone number:

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



*Where Quality Is A Lifestyle*

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## BASIC FINANCIAL STATEMENTS



**Fayette County, Georgia**  
**Statement of Net Assets**  
**June 30, 2012**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
<b>ASSETS</b>					
Cash and Cash Equivalents:					
Unrestricted	\$ 49,214,000	\$ 2,802,149	\$ 52,016,149	\$ 319,321	\$ 626,061
Restricted	1,350,218	27,650,753	29,000,971	789,664	-
Investments	60,797,215	-	60,797,215	-	-
Internal Balances	3,765	(3,765)	-	-	-
Receivables (Net of Allowance for Uncollectibles)	3,379,664	2,180,492	5,560,156	27,713	86,973
Inventories and Prepaid Items	435,584	1,636,994	2,072,578	-	-
Net Pension Asset	1,495,687	-	1,495,687	-	-
Unamortized Debt Issuance Costs	177,302	387,418	564,720	-	-
Capital Assets Not Being Depreciated	20,661,390	37,250,480	57,911,870	-	-
Capital Assets, Net of Accumulated Depreciation	98,220,537	73,134,900	171,355,437	201,297	2,242
Total Assets	<u>\$ 235,735,362</u>	<u>\$ 145,039,421</u>	<u>\$ 380,774,783</u>	<u>\$ 1,337,995</u>	<u>\$ 715,276</u>
<b>LIABILITIES</b>					
Accounts Payable and Other					
Current Liabilities	\$ 3,237,640	\$ 3,636,544	\$ 6,874,184	\$ 796,023	\$ 27,989
Salaries and Benefits Payable	2,141,877	170,238	2,312,115	-	-
Accrued Interest Payable	154,722	633,131	787,853	-	-
NonCurrent Liabilities:					
Due Within One Year	2,981,625	3,294,169	6,275,794	-	34,473
Due In More Than One Year	41,009,559	57,856,815	98,866,374	-	67,542
Total Liabilities	<u>\$ 49,525,423</u>	<u>\$ 65,590,897</u>	<u>\$ 115,116,320</u>	<u>\$ 796,023</u>	<u>\$ 130,004</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	\$ 80,352,869	\$ 61,628,316	\$ 141,981,185	\$ 201,297	\$ 2,242
Restricted For:					
Highways and Streets	52,244,895	-	52,244,895	-	-
Special Tax District Services	4,819,053	-	4,819,053	-	-
Other Purposes	1,434,126	-	1,434,126	-	583,030
Debt Service	1,349,314	7,299,145	8,648,459	-	-
Renewal and Extension	-	6,355,904	6,355,904	-	-
Unrestricted	46,009,682	4,165,159	50,174,841	340,675	-
Total Net Assets	<u>\$ 186,209,939</u>	<u>\$ 79,448,524</u>	<u>\$ 265,658,463</u>	<u>\$ 541,972</u>	<u>\$ 585,272</u>

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

**Fayette County, Georgia**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

Functions / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 13,747,299	\$ 423,656	\$ -	\$ -	\$ (13,323,643)		\$ (13,323,643)		
Judicial System	5,570,703	2,442,258	217,638	-	(2,910,807)		(2,910,807)		
Public Safety	35,486,701	4,642,449	728,483	-	(30,115,769)		(30,115,769)		
Public Works	5,109,741	7,576	-	598,070	(4,504,095)		(4,504,095)		
Health and Welfare	765,345	-	-	-	(765,345)		(765,345)		
Culture and Recreation	2,563,090	240,857	1,281	-	(2,320,952)		(2,320,952)		
Housing and Development	1,408,138	196,713	-	-	(1,211,425)		(1,211,425)		
Interest on Long-Term Debt	2,102,925	-	-	-	(2,102,925)		(2,102,925)		
Total Governmental Activities	\$ 66,753,942	\$ 7,953,509	\$ 947,402	\$ 598,070	\$ (57,254,961)		\$ (57,254,961)		
Business-Type Activities:									
Water System	\$ 14,432,774	\$ 14,570,866	\$ -	\$ 91,344		\$ 229,436	\$ 229,436		
Solid Waste	333,225	132,095	-	-		(201,130)	(201,130)		
Stormwater Utility	187,116	300,333	-	25,576		138,793	138,793		
Total Business-Type Activities	\$ 14,953,115	\$ 15,003,294	\$ -	\$ 116,920		\$ 167,099	\$ 167,099		
Total Primary Government	\$ 81,707,057	\$ 22,956,803	\$ 947,402	\$ 714,990	\$ (57,254,961)	\$ 167,099	\$ (57,087,862)		
<b>Component Units:</b>									
Development Authority	\$ 321,847	\$ -	\$ 313,452	\$ -				\$ (8,395)	\$ -
Department of Public Health	1,316,980	698,318	724,245	-				-	105,583
Total Component Units	\$ 1,638,827	\$ 698,318	\$ 1,037,697	\$ -				\$ (8,395)	\$ 105,583
General Revenues:									
Property Taxes					\$ 36,089,255	\$ -	\$ 36,089,255	\$ -	\$ -
Sales Taxes					10,011,105	-	10,011,105	-	-
Other Taxes					3,247,599	-	3,247,599	-	-
Unrestricted Investment Earnings					905,075	10,561	915,636	690	2,775
Miscellaneous Revenues					834,182	-	834,182	1,396	-
Transfers					539,650	(539,650)	-	-	-
Total General Revenues and Transfers					\$ 51,626,866	\$ (529,089)	\$ 51,097,777	\$ 2,086	\$ 2,775
Change in Net Assets					\$ (5,628,095)	\$ (361,990)	\$ (5,990,085)	\$ (6,309)	\$ 108,358
Net Assets - Beginning (as Restated)					191,838,034	79,810,514	271,648,548	548,281	476,914
Net Assets - Ending					\$ 186,209,939	\$ 79,448,524	\$ 265,658,463	\$ 541,972	\$ 585,272

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

**Fayette County, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	<u>General</u>	<u>Fire Services</u>	<u>Emergency Medical Services</u>	<u>County-Wide Roads SPLOST</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 3,472,615	\$ 848,970	\$ 1,708,048	\$ 31,467,585	\$ 9,604,094	\$ 47,101,312
Due From Other Funds	3,765	-	-	-	-	3,765
Investments	31,414,552	2,023,916	-	20,263,081	4,055,805	57,757,354
Receivables (Net of Allowances for Uncollectibles)	2,261,522	217,895	480,080	14,743	358,707	3,332,947
Inventories	110,430	-	-	-	-	110,430
Prepaid Items	136,092	2,794	16,527	-	8,547	163,960
Total Assets	<u>\$ 37,398,976</u>	<u>\$ 3,093,575</u>	<u>\$ 2,204,655</u>	<u>\$ 51,745,409</u>	<u>\$ 14,027,153</u>	<u>\$ 108,469,768</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Accounts Payable	\$ 978,965	\$ 19,848	\$ 24,260	\$ 944,512	\$ 292,507	\$ 2,260,092
Salary and Benefits Payable	1,640,800	323,652	106,001	-	71,424	2,141,877
Unearned Revenue	373,226	86,424	33,184	-	12,245	505,079
Total Liabilities	<u>\$ 2,992,991</u>	<u>\$ 429,924</u>	<u>\$ 163,445</u>	<u>\$ 944,512</u>	<u>\$ 376,176</u>	<u>\$ 4,907,048</u>
Fund Balances:						
Nonspendable	\$ 246,522	\$ 2,794	\$ 16,527	\$ -	\$ 8,547	\$ 274,390
Restricted For:						
Road Construction	-	-	-	50,800,897	1,443,998	52,244,895
Library Purposes	-	-	-	-	170,441	170,441
Court Services Purposes	-	-	-	-	280,744	280,744
Fire Services	-	2,660,857	-	-	-	2,660,857
Emergency Medical Services	-	-	2,024,683	-	-	2,024,683
E-911 Communications	-	-	-	-	626,841	626,841
Law Enforcement Purposes	-	-	-	-	959,207	959,207
Street Lights	-	-	-	-	73,354	73,354
Federal and State Grants	-	-	-	-	21,117	21,117
Committed To:						
Capital Projects	-	-	-	-	10,066,728	10,066,728
Stabilization Fund	11,300,171	-	-	-	-	11,300,171
Assigned To:						
Emergencies	2,000,000	-	-	-	-	2,000,000
Encumbrances	90,014	-	-	-	-	90,014
Appropriation to Balance						
Ensuing Year's Budget	2,841,872	-	-	-	-	2,841,872
Capital Projects	9,450,024	-	-	-	-	9,450,024
Pension Obligation	2,435,200	-	-	-	-	2,435,200
Unassigned	6,042,182	-	-	-	-	6,042,182
Total Fund Balances	<u>\$ 34,405,985</u>	<u>\$ 2,663,651</u>	<u>\$ 2,041,210</u>	<u>\$ 50,800,897</u>	<u>\$ 13,650,977</u>	<u>\$ 103,562,720</u>
Total Liabilities and Fund Balances	<u>\$ 37,398,976</u>	<u>\$ 3,093,575</u>	<u>\$ 2,204,655</u>	<u>\$ 51,745,409</u>	<u>\$ 14,027,153</u>	<u>\$ 108,469,768</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 Assets**  
**June 30, 2012**

Total Fund Balances - Governmental Funds	\$ 103,562,720
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Amounts for Governmental Activities on the Statement of Net Assets are different because:

Capital Assets used in Governmental Activities are not financial resources and therefore, are not reported as Assets in Governmental Funds.	118,881,927
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The Net Pension Asset which represents amounts paid above the required actuarial determined contribution is not a financial resource and therefore, is not reported as an Asset in Governmental Funds.	1,495,687
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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 Unearned Revenues in the Governmental Funds.	490,241
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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 Assets. The details of this difference is as follows:

Net Assets of the Internal Service Funds	\$ 7,744,093	
Less: Capital Assets (included above)	(3,197,444)	
Add: Internal Receivable representing Charges		
Less Than Cost to Business-Type Activities	46,717	4,593,366

Long-Term Liabilities are not due and payable in the current period and therefore, are not reported as Liabilities in the Governmental Funds. The details of this difference is as follows:

Capital Leases Payable	\$ (948,566)	
Revenue Bonds Payable	(39,350,000)	
Less: Deferred Charges on Refunding	3,199,410	
Add: Bond Premium	(1,429,902)	
Compensated Absences	(2,784,662)	
Early Termination Benefits	(444,215)	
Other Postemployment Benefits	(901,345)	
Accrued Interest	(154,722)	(42,814,002)

Total Net Assets - Governmental Activities	\$ <u>186,209,939</u>
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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, 2012**

	General	Fire Services	Emergency Medical Services	County-Wide Roads SPLOST	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Taxes:						
Property	\$ 28,228,776	\$ 5,646,529	\$ 1,400,330	\$ -	\$ 1,257,204	\$ 36,532,839
Sales	10,011,105	-	-	-	-	10,011,105
Other	1,173,004	2,063,643	9,238	-	1,714	3,247,599
Licenses and Permits	215,512	-	-	-	-	215,512
Intergovernmental	661,205	-	-	-	748,339	1,409,544
Charges for Services	1,911,227	46,467	1,729,231	-	1,801,437	5,488,362
Fines and Forfeitures	1,351,058	-	-	-	922,107	2,273,165
Investment Earnings	244,443	15,318	551	173,201	35,274	468,787
Contributions and Donations	15,795	1,920	-	-	-	17,715
Miscellaneous Revenues	364,915	107,721	219	-	26,686	499,541
Total Revenues	<u>\$ 44,177,040</u>	<u>\$ 7,881,598</u>	<u>\$ 3,139,569</u>	<u>\$ 173,201</u>	<u>\$ 4,792,761</u>	<u>\$ 60,164,169</u>
<b>EXPENDITURES:</b>						
Current:						
General Government	\$ 8,624,978	\$ -	\$ -	\$ -	\$ -	\$ 8,624,978
Judicial System	5,037,664	-	-	-	446,175	5,483,839
Public Safety	19,795,579	7,888,320	3,107,416	-	4,387,571	35,178,886
Public Works	4,353,329	-	-	-	294,968	4,648,297
Health and Welfare	759,057	-	-	-	-	759,057
Culture and Recreation	2,019,104	-	-	-	-	2,019,104
Housing and Development	1,317,126	-	-	-	-	1,317,126
Debt Service:						
Principal Retirement	950,000	-	-	-	905,425	1,855,425
Interest and Fiscal Charges	1,875,759	-	-	-	92,780	1,968,539
Capital Outlay	-	-	-	4,875,639	2,585,465	7,461,104
Total Expenditures	<u>\$ 44,732,596</u>	<u>\$ 7,888,320</u>	<u>\$ 3,107,416</u>	<u>\$ 4,875,639</u>	<u>\$ 8,712,384</u>	<u>\$ 69,316,355</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (555,556)	\$ (6,722)	\$ 32,153	\$ (4,702,438)	\$ (3,919,623)	\$ (9,152,186)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	\$ 1,281,714	\$ 5,894	\$ -	\$ -	\$ 3,820,497	\$ 5,108,105
Transfers Out	(3,628,289)	(101,329)	(40,107)	-	(798,730)	(4,568,455)
Sale of Capital Assets	34,772	-	-	-	254,291	289,063
Total Other Financing Sources (Uses)	<u>\$ (2,311,803)</u>	<u>\$ (95,435)</u>	<u>\$ (40,107)</u>	<u>\$ -</u>	<u>\$ 3,276,058</u>	<u>\$ 828,713</u>
Net Change in Fund Balance	\$ (2,867,359)	\$ (102,157)	\$ (7,954)	\$ (4,702,438)	\$ (643,565)	\$ (8,323,473)
Fund Balance, Beginning of Year (as Restated)	37,273,344	2,765,808	2,049,164	55,503,335	14,294,542	111,886,193
Fund Balance, End of Year	<u>\$ 34,405,985</u>	<u>\$ 2,663,651</u>	<u>\$ 2,041,210</u>	<u>\$ 50,800,897</u>	<u>\$ 13,650,977</u>	<u>\$ 103,562,720</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, 2012**

Net Change in Fund Balances - Total Governmental Funds \$ (8,323,473)

Amounts for Governmental Activities on the Statement of Net Assets 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. The details of this difference is as follows:

Capital Outlay	\$ 9,573,733	
Depreciation Expense	<u>(6,947,881)</u>	2,625,852

The net effect of various transaction involving capital assets (i.e., sales , trade-ins and donations) is to decrease Net Assets. (38,573)

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. (910,950)

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. (443,584)

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 are 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	\$ (312,707)	
Early Termination Benefits	(444,215)	
Other PostEmployment Benefits	<u>(291,742)</u>	(1,048,664)

Changes in the Net Pension Asset shown in the Statement of Net Assets are not recognized in the Governmental Funds since current financial resources are used in the creation of the Asset. 691,720

Some Expenses reported in the Statement of Activities do not require the use of Current Financial Resources and therefore, are not reported as in Expenditures in Governmental Funds. Accrued Interest Payable on the long-term debt represents this difference. 37,821

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 Assets. Also, Governmental Funds report the effect of issuance costs, 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	\$ 950,000	
Repayment of Lease Principal	930,066	
Deferred Charges Amortization	(177,759)	
Bond Premium Amortization	<u>79,449</u>	1,781,756

Change in Net Assets of Governmental Activities \$ (5,628,095)

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

**Fayette County, Georgia**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water System	NonMajor Funds Solid Waste	Stormwater Utility	Total	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents:					
Unrestricted	\$ 521,620	\$ 935,227	\$ -	\$ 1,456,847	\$ 2,002,514
Restricted	5,040,254	-	-	5,040,254	-
Cash with Fiscal Agent	-	-	-	-	110,174
Investments	-	-	-	-	3,039,861
Interest Receivable	-	15	-	15	-
Accounts Receivable	1,993,295	11,849	316,140	2,321,284	-
Allowance for Uncollectibles	(125,000)	-	(15,807)	(140,807)	-
Inventories	1,596,266	-	-	1,596,266	-
Prepaid Items	40,672	-	56	40,728	161,194
Total Current Assets	<u>\$ 9,067,107</u>	<u>\$ 947,091</u>	<u>\$ 300,389</u>	<u>\$ 10,314,587</u>	<u>\$ 5,313,743</u>
Noncurrent Assets:					
Unrestricted Assets:					
Cash and Cash Equivalents	<u>\$ 1,345,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,302</u>	<u>\$ -</u>
Restricted Assets:					
Cash and Cash Equivalents:					
Debt Service	\$ 4,044,145	\$ -	\$ -	\$ 4,044,145	\$ 1,350,218
Construction	12,210,450	-	-	12,210,450	-
Renewal and Extension	6,355,904	-	-	6,355,904	-
Total Restricted Assets	<u>\$ 22,610,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,610,499</u>	<u>\$ 1,350,218</u>
Unamortized Debt Issuance Costs	<u>\$ 387,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,418</u>	<u>\$ 177,302</u>
Capital Assets:					
Land	\$ 15,202,661	\$ 16,517	\$ -	\$ 15,219,178	\$ -
Improvements Other Than Buildings	10,961,498	120,170	-	11,081,668	-
Infrastructure	82,222,862	-	-	82,222,862	-
Buildings and Other Structures	43,227,374	158,499	-	43,385,873	-
Machinery, Equipment and Vehicles	9,259,347	210,445	78,202	9,547,994	14,833,543
Construction In Progress	22,031,302	-	-	22,031,302	-
Less: Accumulated Depreciation	<u>(72,715,068)</u>	<u>(333,434)</u>	<u>(54,995)</u>	<u>(73,103,497)</u>	<u>(11,636,099)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>\$ 110,189,976</u>	<u>\$ 172,197</u>	<u>\$ 23,207</u>	<u>\$ 110,385,380</u>	<u>\$ 3,197,444</u>
Total Noncurrent Assets	<u>\$ 134,533,195</u>	<u>\$ 172,197</u>	<u>\$ 23,207</u>	<u>\$ 134,728,599</u>	<u>\$ 4,724,964</u>
Total Assets	<u>\$ 143,600,302</u>	<u>\$ 1,119,288</u>	<u>\$ 323,596</u>	<u>\$ 145,043,186</u>	<u>\$ 10,038,707</u>

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

**Fayette County, Georgia**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	Business-Type Activities - Enterprise Funds				Governmental
		NonMajor Funds			Activities -
	Water	Solid	Stormwater		Internal
	System	Waste	Utility	Total	Service Funds
<b>LIABILITIES</b>					
Current Liabilities Payable From					
Unrestricted Assets:					
Accounts Payable	\$ 2,367,504	\$ 38,724	\$ 76	\$ 2,406,304	\$ -
Claims Payable	-	-	-	-	962,710
Salaries and Benefits Payable	162,856	1,582	13,567	178,005	-
Due to Other Funds	-	-	3,765	3,765	-
Compensated Absences	31,376	26	-	31,402	-
Unearned Revenue	31,400	-	-	31,400	-
Total Current Liabilities Payable					
From Unrestricted Assets	\$ 2,593,136	\$ 40,332	\$ 17,408	\$ 2,650,876	\$ 962,710
Current Liabilities Payable From					
Restricted Assets:					
Accounts Payable	\$ 1,152,123	\$ -	\$ -	\$ 1,152,123	\$ -
Accrued Interest Payable	633,131	-	-	633,131	-
Revenue Bonds Payable - Current	3,255,000	-	-	3,255,000	-
Total Current Liabilities Payable					
From Restricted Assets	\$ 5,040,254	\$ -	\$ -	\$ 5,040,254	\$ -
Total Current Liabilities	\$ 7,633,390	\$ 40,332	\$ 17,408	\$ 7,691,130	\$ 962,710
Noncurrent Liabilities:					
Arbitrage Payable	\$ -	\$ -	\$ -	\$ -	\$ 904
Compensated Absences	116,281	1,577	988	118,846	-
Early Termination Benefits	25,455	-	-	25,455	-
Certificates of Participation	-	-	-	-	1,331,000
Bonds Payable (Net of Discounts, Premiums					
and Deferred Amounts on Refundings)	57,712,514	-	-	57,712,514	-
Total Noncurrent Liabilities	\$ 57,854,250	\$ 1,577	\$ 988	\$ 57,856,815	\$ 1,331,904
Total Liabilities	\$ 65,487,640	\$ 41,909	\$ 18,396	\$ 65,547,945	\$ 2,294,614
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	\$ 61,432,912	\$ 172,197	\$ 23,207	\$ 61,628,316	\$ 3,197,444
Restricted For:					
Debt Service	7,299,145	-	-	7,299,145	1,349,314
Renewal and Construction	6,355,904	-	-	6,355,904	-
Unrestricted	3,024,701	905,182	281,993	4,211,876	3,197,335
Total Net Assets	\$ 78,112,662	\$ 1,077,379	\$ 305,200	\$ 79,495,241	\$ 7,744,093
Adjustment to Reflect the Consolidation of Internal Service Fund Activities					
Related to Enterprise Funds				(46,717)	
Net Assets of Business-Type Activities				\$ 79,448,524	

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

**Fayette County, Georgia**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water System	Solid Waste	Stormwater Utility	Total	
Operating Revenues:					
Charges for Sales and Services:					
Water Sales	\$ 14,570,866	\$ -	\$ -	\$ 14,570,866	\$ -
Solid Waste Fees	-	132,095	-	132,095	-
Stormwater Fees	-	-	300,333	300,333	-
Other Services	-	-	-	-	7,937,841
Total Operating Revenues	<u>\$ 14,570,866</u>	<u>\$ 132,095</u>	<u>\$ 300,333</u>	<u>\$ 15,003,294</u>	<u>\$ 7,937,841</u>
Operating Expenses:					
Costs of Sales and Services	\$ 5,385,120	\$ 321,166	\$ 184,747	\$ 5,891,033	\$ 8,223,705
Administration	2,009,773	-	-	2,009,773	275,528
Depreciation	4,316,293	13,708	2,369	4,332,370	926,418
Total Operating Expenses	<u>\$ 11,711,186</u>	<u>\$ 334,874</u>	<u>\$ 187,116</u>	<u>\$ 12,233,176</u>	<u>\$ 9,425,651</u>
Operating Income (Loss)	<u>\$ 2,859,680</u>	<u>\$ (202,779)</u>	<u>\$ 113,217</u>	<u>\$ 2,770,118</u>	<u>\$ (1,487,810)</u>
Nonoperating Revenues (Expenses):					
Interest Income	\$ 10,372	\$ 189	\$ -	\$ 10,561	\$ 628,059
Interest Expense	(2,446,816)	-	-	(2,446,816)	(73,897)
Gain (Loss) on Disposal of Capital Assets	(188,858)	2,402	-	(186,456)	(12,937)
Other Expenses	(39,950)	-	-	(39,950)	(11,082)
Total Nonoperating Revenues (Expenses)	<u>\$ (2,665,252)</u>	<u>\$ 2,591</u>	<u>\$ -</u>	<u>\$ (2,662,661)</u>	<u>\$ 530,143</u>
Income Before Contributions and Transfers	\$ 194,428	\$ (200,188)	\$ 113,217	\$ 107,457	\$ (957,667)
Capital Contributions	91,344	-	25,576	116,920	-
Transfers In	-	-	166,407	166,407	-
Transfers Out	(700,785)	(5,272)	-	(706,057)	-
Change in Net Assets	<u>\$ (415,013)</u>	<u>\$ (205,460)</u>	<u>\$ 305,200</u>	<u>\$ (315,273)</u>	<u>\$ (957,667)</u>
Total Net Assets - Beginning	<u>78,527,675</u>	<u>1,282,839</u>	<u>-</u>		<u>8,701,760</u>
Total Net Assets - Ending	<u>\$ 78,112,662</u>	<u>\$ 1,077,379</u>	<u>\$ 305,200</u>		<u>\$ 7,744,093</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(46,717)</u>	
Change in Net Assets of Business-Type Activities				<u>\$ (361,990)</u>	

The accompanying notes are an integral part of these financial statements

**Fayette County, Georgia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Funds				Governmental
	NonMajor Funds				Activities -
	Water	Solid	Stormwater	Total	Internal
	System	Waste	Utility		Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts From Customers and Users	\$ 14,658,111	\$ 133,305	\$ -	\$ 14,791,416	\$ 1,979,666
Receipts From Interfund Services Provided	-	-	-	-	6,465,453
Payments To Suppliers	(3,936,567)	(51,099)	(4,553)	(3,992,219)	(8,430,598)
Payments To Employees	(3,466,758)	(242,728)	(161,854)	(3,871,340)	-
Net Cash Provided (Used) By Operating Activities	\$ 7,254,786	\$ (160,522)	\$ (166,407)	\$ 6,927,857	\$ 14,521
<b>CASH FLOWS FROM NONCAPITAL FINANCING</b>					
<b>ACTIVITIES:</b>					
Transfers In From Other Funds	\$ -	\$ -	\$ 166,407	\$ 166,407	\$ -
Transfers Out To Other Funds	(700,785)	(5,272)	-	(706,057)	-
Net Cash Used By Noncapital Financing Activities	\$ (700,785)	\$ (5,272)	\$ 166,407	\$ (539,650)	\$ -
<b>CASH FLOWS FROM CAPITAL AND RELATED</b>					
<b>FINANCING ACTIVITIES:</b>					
Proceeds From Issuance of Revenue Bonds	\$ 9,143,050	\$ -	\$ -	\$ 9,143,050	\$ -
Capital Contributions	85,244	-	-	85,244	-
Principal Paid on Revenue Bonds	(3,110,000)	-	-	(3,110,000)	-
Interest Paid on Revenue Bonds	(2,330,539)	-	-	(2,330,539)	-
Redemption of Certificates of Participation	-	-	-	-	(1,889,000)
Interest Paid on Certificates of Participation	-	-	-	-	(73,897)
Acquisition and Construction of Capital Assets	(6,252,805)	(139,460)	-	(6,392,265)	-
Purchase of Capital Assets	-	-	-	-	(416,090)
Bond Issuance Costs Paid and Paying Agent Fees	(144,757)	-	-	(144,757)	-
Proceeds From Sale of Capital Assets	1,368	2,402	-	3,770	-
Net Cash Provided (Used) By Capital and					
Related Financing Activities	\$ (2,608,439)	\$ (137,058)	\$ -	\$ (2,745,497)	\$ (2,378,987)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Received	\$ 11,590	\$ 255	\$ -	\$ 11,845	\$ 629,243
Purchase of Investments	-	-	-	-	(22,136)
Net Cash Provided By Investing Activities	\$ 11,590	\$ 255	\$ -	\$ 11,845	\$ 607,107
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 3,957,152	\$ (302,597)	\$ -	\$ 3,654,555	\$ (1,757,359)
Cash and Cash Equivalents at Beginning of Year	25,560,523	1,237,824	-	26,798,347	5,220,266
Cash and Cash Equivalents at End of Year	\$ 29,517,675	\$ 935,227	\$ -	\$ 30,452,902	\$ 3,462,907

*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, 2012**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water System	NonMajor Funds		Total	
		Solid Waste	Stormwater Utility		
<b>Reconciliation of Operating Income (Loss) To Net Cash Flows Provided (Used) By Operating Activities:</b>					
Operating Income (Loss)	\$ 2,859,680	\$ (202,779)	\$ 113,217	\$ 2,770,118	\$ (1,487,810)
<b>Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>					
Depreciation Expense	\$ 4,316,293	\$ 13,708	\$ 2,369	\$ 4,332,370	\$ 926,418
Decrease (Increase) in Assets:					
Accounts Receivable	126,359	1,210	(300,333)	(172,764)	507,278
Inventory	(1,034,478)	-	-	(1,034,478)	-
Prepaid Items	(17,338)	-	(56)	(17,394)	(69,016)
Increase (Decrease) in Liabilities:					
Accounts Payable	954,254	26,783	76	981,113	(10,730)
Salaries and Benefits Payable	50,016	556	14,555	65,127	-
Due to Other Funds	-	-	3,765	3,765	-
Claims Payable	-	-	-	-	148,381
<b>Total Adjustments</b>	<b>\$ 4,395,106</b>	<b>\$ 42,257</b>	<b>\$ (279,624)</b>	<b>\$ 4,157,739</b>	<b>\$ 1,502,331</b>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 7,254,786</b>	<b>\$ (160,522)</b>	<b>\$ (166,407)</b>	<b>\$ 6,927,857</b>	<b>\$ 14,521</b>

**NONCASH INVESTING, CAPITAL AND FINANCING**

**ACTIVITIES:**

Contributions of Capital Assets From Government	\$ -	\$ -	\$ 25,576	\$ -	\$ -
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The accompanying notes are an integral part of these financial statements.

**Fayette County, Georgia**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2012**

**ASSETS**

Cash and Cash Equivalents	\$ 2,268,138
Taxes Receivable	<u>4,538,124</u>
 Total Assets	 <u><u>\$ 6,806,262</u></u>

**LIABILITIES**

Due to Others	\$ 6,618,104
Tax Protest / Bankruptcy / Tax Sale	<u>188,158</u>
 Total Liabilities	 <u><u>\$ 6,806,262</u></u>

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



## NOTES TO THE FINANCIAL STATEMENTS

**Fayette County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2012**

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**Fayette County, Georgia**  
**Notes to the Financial Statements**  
**June 30, 2012**

**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 as the Criminal Justice Center Capital Projects Fund, which is a nonmajor governmental 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 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 Authority. The Fayette County Development Authority is presented as a governmental fund type.

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

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

Fayette County Development Authority  
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 Assets" 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 all three of the individual Enterprise Funds (two of which are nonmajor) 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 for Governmental Funds. The Fiduciary Fund statements include financial information for the agency funds. These funds represent assets held by the County in a custodial capacity for individuals or other governments.

### 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 approximately 27,900 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, Medical, Dental and Vision Self-Insurance Funds, and a Vehicle Replacement Fund.

Within the *Fiduciary Fund* type, *Agency Funds* are used to account for the collection and disbursement of monies by the Constitutional Officers and Court System on behalf of other governments and individuals. Agency funds represent the activities of the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, Sheriff's Office, State Court and Juvenile 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;
Juvenile Court:	to account for the collections of Juvenile Court fines and settlements and 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;
Probate Court:	to account for the collections of Probate Court fines 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; and
Superior Court:	to account for the collection of charges for Superior Court costs, filings 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, funds on deposit in the Georgia Fund 1 State Investment Pool, and other short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the Proprietary Fund Statement of Cash Flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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

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

The fair value of all other investments was calculated using quoted market prices because these prices have been determined to be the most reliable and verifiable and are the most understood by investors, creditors and other users of financial information.

### **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 1, 2011. 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 16, 2011, 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, 2012, 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 "Unearned Revenue" on the Governmental Fund Statements.

At year-end, the Water System had approximately \$1.16 million in billed customer receivables. In addition, a receivable of \$831,608 was recorded for services rendered at year-end but not yet billed at June 30, 2012. 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. These amounts are shown net of an allowance for uncollectibles of \$125,000.

A Stormwater Utility receivable for this new Enterprise Fund created on January 1, 2012 was recorded for six months of the year. Customers are billed one time annually for stormwater services provided on a calendar year basis. Using an estimate of a five-percent reduction in the \$316,140 in customer billings yielded an allowance for uncollectibles in the amount of \$15,807.

### 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 Fund Financial Statements. Prepaid Items are recorded as expenditures/expenses when consumed rather than 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 Assets 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 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.

*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 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 \$789,664 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>
Building Improvements	10
Buildings	40
Computer Equipment	5
Infrastructure	15 - 40
Office Equipment	5
Vehicles	7 - 15

#### 6. Compensated Absences

County employees are granted vacation, compensatory, holiday and sick leave in varying amounts. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to a specified maximum number of hours. Compensatory and holiday leave is accumulated based on departmental discretion of need. In the event of termination of employment, an employee is paid for accrued annual, compensatory, and holiday leave days.

In addition, regular full-time employees hired before March 1, 1998, with three or more years of service who resign in good standing or retire from service with the County 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 is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the Governmental Funds that are responsible for payment.

#### 7. Long-Term Obligations

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 Assets. Bond premiums and discounts, as well as issuance costs, 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, and the deferred refunding charges. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

#### 8. Fund Equity: Fund Balance and Net Assets

The County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), *"Fund Balance Reporting and Governmental Fund Type Definitions"*, for the fiscal year ended June 30, 2011. Basically, this accounting standard changed the overall definitions and classifications of Governmental Fund Balances. GASB 54 was issued to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and it clarifies the existing Governmental Fund Type definitions.

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

*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. An example of this classification is those Special Revenue Funds where the revenues generated from fine surcharges have to be spent for specific purposes by State statute.
- **Committed** – Fund Balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission. Only the County Commission may modify or rescind the commitment. An example of this classification is those Capital Projects Funds where the Board commits funds



to a specific capital improvement purpose through the adoption of the annual budget resolution, and may modify or rescind the commitment as part of any subsequent budget adjustments that it approves.

- **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. An example of this classification is the assignment by the Board of a portion of the fund balance to balance the ensuing year's operating budget when it approves the annual operating budget resolution.
- **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 Assets:* As noted previously, equity for the Government-Wide and Proprietary Fund Financial Statements is classified as Net Assets. On the aforementioned financial statements, the Net Asset category is displayed utilizing the following three components:

- **Invested in Capital Assets, Net of Related Debt** – This component of net assets 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 assets component as the unspent proceeds.
- **Restricted Net Assets** – This component of net assets consists of those net assets 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 Assets** – This component of net assets consists of those net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted". Generally, these net assets 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 restricted assets are available.

## 9. 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, special revenue funds, and library SPLOST fund.
3. In late May and early June, public hearings are conducted to obtain taxpayer comments about the proposed budget.
4. Prior to July 1, the budget is legally enacted through the passage of an appropriation ordinance by the Commission.

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

each legally adopted annual operating budget for Fayette 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, Special Revenue Funds, and Library SPLOST Fund. Individual budgets and actual statements are presented for these funds at the department level. To help ensure that each department keeps their spending during the year within its total approved appropriations amount, certain internal administrative controls are utilized. County department heads are authorized to approve budget transfers between the various line item expenditure accounts within their departments. All other transfers or supplemental appropriations, which change the total budget for a departmental cost center, must be approved by the Board of Commissioners.

## **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, 2012, \$5,815,784 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, 2012 is \$4,823,471, the sinking fund balances are \$3,108,805, for a debt service total of \$7,932,276, 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, 2012, 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, 2012 is detailed in the following tabular information:

#### Balances per Statement of Net Assets:

##### Unrestricted:

Cash and Cash Equivalents – Primary Government	\$52,016,149
Cash and Cash Equivalents – Development Authority	319,321
Cash and Cash Equivalents – Public Health	626,061
Investments – Primary Government	60,797,215

##### Restricted:

Cash and Cash Equivalents – Primary Government	29,000,971
Cash and Cash Equivalents – Development Authority	789,664

#### Balances per Statement of Fiduciary Net Assets:

Cash – Agency Funds	<u>2,268,138</u>
Total Cash, Cash Equivalents and Investments	<u>\$145,817,519</u>

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

	<u>Primary Government</u>	<u>Agency Funds</u>	<u>Development Authority</u>	<u>Public Health</u>	<u>Total By Classification</u>
Cash and Cash Equivalents:					
Cash on Hand	\$ 2,400	\$ --	\$ --	\$ --	\$ 2,400
Cash Held by Fiscal Agent	110,174	--	--	--	110,174
Demand Deposits at Financial Institutions	37,467,641	2,268,138	1,108,985	626,061	41,470,825
Georgia Fund 1 Investment Pool	<u>43,436,905</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>43,436,905</u>
Total Cash and Cash Equivalents	\$ 81,017,120	\$ 2,268,138	\$ 1,108,985	\$ 626,061	\$ 85,020,304
Investments:					
BNY Mellon Investments	<u>60,797,215</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>60,797,215</u>
Total Cash, Cash Equivalents And Investments	<u>\$141,814,335</u>	<u>\$2,268,138</u>	<u>\$1,108,985</u>	<u>\$626,061</u>	<u>\$145,817,519</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, 2012, the carrying amount of the County's demand deposits was \$37,467,641 and the bank balances totaled \$37,950,589. The Agency Funds' accounts had a carrying value of \$2,268,138 and a bank balance of \$3,565,206. 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 \$1,108,985, which includes \$786,502 on deposit with a broker, and the bank balance was \$1,109,056. The broker account is covered in accordance with provisions of the Securities Investor Protection Corporation. All of 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 Authority's name.

**Component Unit – Public Health:** At June 30, 2012, the Public Health Department's cash deposits were entirely covered by federal depository insurance and collateral held by the custodial bank in the Health Department'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, 2012, all assets within the externally managed portfolios are rated AAA.

As indicated in the earlier tabular information, investment cash equivalents comprised \$43,436,905 or about 41.67% of the total investment balance of \$104,234,120 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>\$43,436,905</u>	48 Day Weighted Average

At June 30, 2012, the County had \$60,797,215 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 \$1,942,691 deposited in the Fidelity Institutional Treasury Portfolio Money Market Fund at June 30, 2012.

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 \$58,854,524 as of June 30, 2012.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent Of Total</u>	<u>Weighted Average Maturity (In Years)</u>
U. S. Treasuries	\$31,558,414	53.62%	1.69
Federal Agencies	1,875,416	3.19%	1.79
Government Guaranteed Securities	3,152,362	5.35%	0.45
Government Sponsored Corporations	21,421,795	36.40%	2.50
Municipal Securities	416,072	0.71%	1.24
Non-U.S. Government Securities	<u>430,465</u>	0.73%	3.17
Total Fair Value	<u>\$58,854,524</u>		
Portfolio Weighted Average Maturity			1.93

## **B. Receivables**

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

	General	Fire Services	Emergency Medical Services	County- Wide Roads SPLOST	NonMajor Govern- mental Funds	Water System	NonMajor Enterprise Funds	Internal Service Funds	Totals
Receivables:									
Property Taxes	\$ 794,791	\$190,358	\$ 51,889	\$ --	\$ 23,479	\$ --	\$ --	\$ --	\$1,060,517
Sales Taxes	1,044,430	--	--	--	--	--	--	--	1,044,430
Interest	--	--	--	--	8	--	15	--	23
Intergovernmental	52,950	2,500	--	--	4,449	--	--	--	59,899
Accounts	<u>729,005</u>	<u>105,708</u>	<u>512,171</u>	<u>14,743</u>	<u>338,155</u>	<u>1,993,295</u>	<u>327,989</u>	<u>46,717</u>	<u>4,067,783</u>
Gross Receivables	\$2,621,176	\$298,566	\$564,060	\$14,743	\$366,091	\$1,993,295	\$328,004	\$46,717	\$6,232,652
Less: Allowance for Uncollectibles	<u>(359,654)</u>	<u>(80,671)</u>	<u>(83,980)</u>	<u>(--)</u>	<u>(7,384)</u>	<u>(125,000)</u>	<u>(15,807)</u>	<u>(--)</u>	<u>(672,496)</u>
Net Total Receivables	<u>\$2,261,522</u>	<u>\$217,895</u>	<u>\$ 480,080</u>	<u>\$14,743</u>	<u>\$ 358,707</u>	<u>\$1,868,295</u>	<u>\$ 312,197</u>	<u>\$46,717</u>	<u>\$5,560,156</u>

### C. Capital Assets

Capital assets for the Primary Government for the fiscal year ended June 30, 2012, 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 2012 fiscal year.

	Beginning Balances	Increases	Transfers and Decreases	Ending Balances
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 9,060,705	\$ 389,080	\$ -	\$ 9,449,785
Construction in Progress	4,630,835	6,580,770	-	11,211,605
Total Capital Assets, Not Being Depreciated	<u>\$ 13,691,540</u>	<u>\$ 6,969,850</u>	<u>\$ -</u>	<u>\$ 20,661,390</u>
Capital Assets Being Depreciated:				
Buildings and Structures	\$ 73,809,973	\$ 844,638	\$ 61,532	\$ 74,716,143
Infrastructure	301,904,061	-	-	301,904,061
Improvements Other than Buildings	9,535,974	-	321,681	9,857,655
Machinery and Equipment	19,450,628	1,559,213	(452,381)	20,557,460
Vehicles	12,134,463	616,122	(572,667)	12,177,918
Total Capital Assets Being Depreciated	<u>\$ 416,835,099</u>	<u>\$ 3,019,973</u>	<u>\$ (641,835)</u>	<u>\$ 419,213,237</u>
Less Accumulated Depreciation For:				
Buildings and Structures	\$ (21,115,371)	\$ (2,106,349)	\$ (38,560)	\$ (23,260,280)
Infrastructure	(265,440,800)	(3,463,930)	-	(268,904,730)
Improvements Other than Buildings	(3,111,382)	(451,329)	(87,495)	(3,650,206)
Machinery and Equipment	(15,425,071)	(879,813)	189,485	(16,115,399)
Vehicles	(8,616,102)	(972,877)	526,894	(9,062,085)
Total Accumulated Depreciation	<u>\$ (313,708,726)</u>	<u>\$ (7,874,298)</u>	<u>\$ 590,324</u>	<u>\$ (320,992,700)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 103,126,373</u>	<u>\$ (4,854,325)</u>	<u>\$ (51,511)</u>	<u>\$ 98,220,537</u>
Governmental Activities Capital Assets, Net	<u>\$ 116,817,913</u>	<u>\$ 2,115,525</u>	<u>\$ (51,511)</u>	<u>\$ 118,881,927</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>Beginning Balances</u>	<u>Increases</u>	<u>Transfers and Decreases</u>	<u>Ending Balances</u>
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 15,219,178	\$ -	\$ -	\$ 15,219,178
Construction in Process	15,816,581	6,306,001	(91,280)	22,031,302
Total Capital Assets, Not Being Depreciated	<u>\$ 31,035,759</u>	<u>\$ 6,306,001</u>	<u>\$ (91,280)</u>	<u>\$ 37,250,480</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Structures	\$ 43,941,530	\$ -	\$ (555,657)	\$ 43,385,873
Infrastructure	82,130,172	92,690	-	82,222,862
Improvements Other than Buildings	11,250,346	-	(168,678)	11,081,668
Machinery and Equipment	9,370,162	238,483	(60,651)	9,547,994
Total Capital Assets Being Depreciated	<u>\$ 146,692,210</u>	<u>\$ 331,173</u>	<u>\$ (784,986)</u>	<u>\$ 146,238,397</u>
Less Accumulated Depreciation for:				
Buildings and Structures	\$ (21,401,684)	\$ (1,564,868)	\$ 372,930	\$ (22,593,622)
Infrastructure	(32,511,514)	(2,134,829)	-	(34,646,343)
Improvements Other than Buildings	(8,189,631)	(295,631)	168,678	(8,316,584)
Machinery and Equipment	(7,288,632)	(337,042)	78,726	(7,546,948)
Total Accumulated Depreciation	<u>\$ (69,391,461)</u>	<u>\$ (4,332,370)</u>	<u>\$ 620,334</u>	<u>\$ (73,103,497)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 77,300,749</u>	<u>\$ (4,001,197)</u>	<u>\$ (164,652)</u>	<u>\$ 73,134,900</u>
Business-Type Activities Capital Assets, Net	<u>\$ 108,336,508</u>	<u>\$ 2,304,804</u>	<u>\$ (255,932)</u>	<u>\$ 110,385,380</u>

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

**Governmental Activities:**

General Government, including depreciation of general infrastructure assets	\$4,994,464
Judicial System	9,295
Public Safety	1,858,820
Public Works	424,819
Health and Welfare	6,288
Culture and Recreation	569,963
Housing and Development	10,649
Total Depreciation Expense – Governmental Activities	<u>\$7,784,298</u>

**Business-Type Activities:**

Water System	\$4,316,293
Solid Waste	13,708
Stormwater Utility	2,369
Total Depreciation Expense – Business-Type Activities	<u>\$4,332,370</u>

**Construction Commitments**

The County has active construction projects as of June 30, 2012. The more significant of these projects include road and highway construction as part of the SPLOST roads initiative and the construction of Lake McIntosh as an additional raw water reservoir for the Water System. At year end, the County's commitments with contractors are summarized as follows:

<u>Description of Project</u>	<u>Contract Amounts</u>	<u>Amount Spent To Date</u>	<u>Remaining Commitment</u>
Highway Construction – SPLOST Program	\$ 7,068,241	\$ 943,298	\$6,124,943
Lake McIntosh Water Reservoir	<u>9,528,355</u>	<u>7,656,686</u>	<u>1,871,669</u>
Total	<u>\$16,596,596</u>	<u>\$8,599,984</u>	<u>\$7,996,612</u>

The commitment for the highway construction projects will be paid from a portion of the remaining balance in the County-Wide Roads SPLOST Capital Projects Fund. The commitment for the construction of the reservoir is being financed by revenue bonds secured by water revenues.

#### **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. The only interfund balance at June 30, 2012 was \$3,765 which was due from the Stormwater Utility Enterprise Fund to the General Fund. The reason for this balance was a lack of cash on hand for the Stormwater Utility Enterprise Fund which was created on January 1, 2012. Because the new fund had not collected any stormwater fee revenues at year-end, it was in a negative cash position which had to be covered by the General Fund.

Interfund transfers for the fiscal year ended June 30, 2012 is shown in the following table:

	Transfers In:				
	General Fund	Fire Services	NonMajor Governmental Funds	NonMajor Enterprise Funds	Total
Transfers Out:					
Administrative Overhead:					
NonMajor Governmental Funds	\$ 18,955	\$ --	\$ --	\$ --	\$ 18,955
Water System	700,785	--	--	--	700,785
NonMajor Proprietary Funds	5,272	--	--	--	5,272
Capital Improvement Projects:					
General Fund	--	--	3,177,664	--	3,177,664
Fire Fund	--	--	101,329	--	101,329
NonMajor Governmental Funds	556,702	5,894	257,287	--	819,883
Supplemental Funding of Operations:					
General Fund	<u>--</u>	<u>--</u>	<u>284,217</u>	<u>166,407</u>	<u>450,624</u>
Total	<u>\$1,281,714</u>	<u>\$5,894</u>	<u>\$3,820,497</u>	<u>\$166,407</u>	<u>\$5,274,512</u>

Interfund transfers are made for several reasons during the course of each fiscal year. First, the General Fund collects an administrative overhead charge from several funds. These transfers are made to offset the costs paid by the General Fund for such services as accounting, purchasing, data processing, human resources, administration and revenue collection on behalf of the transferring fund. Secondly, 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. 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.

In the fiscal year ended June 30, 2012, the General Fund made a one-time transfer of \$166,407 to the Stormwater Utility Enterprise Fund to fund its inaugural operations prior to the billing and collection of its annual revenue stream.

#### **E. Capital Leases**

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

Cost of Leased Assets	\$ 7,760,000
Accumulated Depreciation	<u>(4,410,332)</u>
Net Value of Assets	<u>\$3,349,668</u>

At June 30, 2012, the County was obligated to make payments of principal and interest on this capital lease purchase as follows:

	Principal	Interest Expense	Total Debt Service
Fiscal Year Ended June 30, 2013	<u>\$948,566</u>	<u>\$45,195</u>	<u>\$993,761</u>

#### **F. 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, 2012 the closure and postclosure care liability account had a zero balance. EPD provides estimates of the cost, there is a potential for change due to inflation, deflation, technology, or applicable laws or regulations.

#### **G. Long-Term Debt**

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 \$60.04 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 2032.

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 \$5.8 million for the next several years. The total principal and interest remaining to be paid on the bonds is \$82,399,379. Principal and interest paid on outstanding bonds in the current year was \$5,440,539 and "net revenues" as defined by the bond ordinance were \$7,944,325.

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, 2012, there will remain a balance of \$245,000 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 2002 Water Revenue Bonds

In July 2002, the County issued \$22,670,000 in Series 2002 Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$50,000 to \$2,250,000 with the longest maturity being thirty years (i.e., October 1, 2032) from the date of issuance. Interest rates for the various maturities ranged from 3.25% to 5.125%. After redeeming the \$1,480,000 in bonds that mature on October 1, 2012, there will remain a balance of \$17,165,000 outstanding on this series.

The Series 2002 Bonds were issued for the purpose of refunding the outstanding Series 1992A Bonds and constructing the New Hope Road water line, and the Ellis Road water tank and pump station.

c) 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 \$1,750,000 in bonds that mature on October 1, 2012, there will remain a balance of \$31,305,000 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.

d) 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%. The first maturity on the 2012A Series occurs on October 1, 2016.

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.

e) Schedule of Revenue Bond Activity

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Current Portion
<b>Revenue Bond Issues</b>					
Series 1996A	\$ 1,190,000	\$ --	\$ 920,000	\$ 270,000	\$ 25,000
Series 2002	19,160,000	--	515,000	18,645,000	1,480,000
Series 2009	34,730,000	--	1,675,000	33,055,000	1,750,000
Series 2012A	--	8,070,000	--	8,070,000	--
Total Revenue Bonds	\$55,080,000	\$8,070,000	\$3,110,000	\$60,040,000	\$3,255,000
<b>Less Deferred Amounts for:</b>					
Refunding Charges	(1,596,728)	--	(158,776)	(1,437,952)	
Bond Discounts / Premiums (Net)	1,382,192	1,073,050	89,776	2,365,466	
Net Revenue Bonds	\$54,865,464	\$9,143,050	\$3,041,000	\$60,967,514	

f) Schedule of Future Debt Service Payments

At June 30, 2012, 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
2013	\$ 3,255,000	\$ 2,576,528	\$ 5,831,528
2014	3,375,000	2,489,436	5,864,436
2015	3,470,000	2,355,097	5,825,097
2016	3,545,000	2,199,697	5,744,697
2017	3,675,000	2,039,209	5,714,209
2018 – 2022	20,560,000	7,488,031	28,048,031
2023 – 2027	17,100,000	2,685,088	19,785,088
2028 – 2032	4,725,000	517,709	5,242,709
2033	<u>335,000</u>	<u>8,584</u>	<u>343,584</u>
Total Debt Service	<u>\$60,040,000</u>	<u>\$22,359,379</u>	<u>\$82,399,379</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, 2012:

Revenue Bond Issue	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Current Portion
Series 2011	\$40,300,000	\$ --	\$ 950,000	\$39,350,000	\$1,160,000
Less Deferred Amounts for:					
Refunding Charges	(3,377,169)	--	(177,759)	(3,199,410)	--
Bond Discounts and Premiums (Net)	<u>1,509,351</u>	--	<u>79,449</u>	<u>1,429,902</u>	--
Revenue Bonds Payable	<u>\$38,432,182</u>	<u>\$ --</u>	<u>\$851,690</u>	<u>\$37,580,492</u>	<u>\$1,160,000</u>

c) Schedule of Future Debt Service Payments

At June 30, 2012, 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
2013	\$ 1,160,000	\$ 1,669,056	\$ 2,829,056
2014	1,220,000	1,611,056	2,831,056
2015	1,710,000	1,552,306	3,262,306
2016	1,785,000	1,477,306	3,262,306
2017	1,835,000	1,423,756	3,258,756
2018 – 2022	10,160,000	6,136,531	16,296,531
2023 – 2027	12,560,000	3,739,769	16,299,769
2028 – 2030	<u>8,920,000</u>	<u>860,700</u>	<u>9,780,700</u>
Total Debt Service	<u>\$39,350,000</u>	<u>\$18,470,480</u>	<u>\$57,820,480</u>

Certificates of Participation: In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association ("the Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's original participation totaling \$5,000,000. However, the original level of participation has decreased in recent years to only \$1,331,000 at June 30, 2012.

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 \$1,331,000 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 \$63,223. 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 \$477,437 with \$106,015 due in the 2013 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 Liabilities:**

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

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Current Portion
<b>Governmental Activities:</b>					
Revenue Bonds	\$40,300,000	\$ --	\$ 950,000	\$39,350,000	\$1,160,000
Less Deferred Amounts for:					
Refunding Charges	(3,377,169)	--	(177,759)	(3,199,410)	--
Bond Discounts / Premiums (Net)	<u>1,509,351</u>	--	<u>79,449</u>	<u>1,429,902</u>	--
Total Revenue Bonds Payable	\$38,432,182	\$ --	\$ 851,690	\$37,580,492	\$1,160,000
Certificates of Participation	3,220,000	--	1,889,000	1,331,000	--
Compensated Absences	3,180,025	312,706	708,069	2,784,662	774,811
Capital Leases	1,878,632	--	930,066	948,566	948,566
Arbitrage Payable	--	904	--	904	--
Early Termination Benefits	--	444,215	--	444,215	98,248
Other Postemployment Benefits (OPEB) Liability	<u>609,603</u>	<u>291,742</u>	--	<u>901,345</u>	--
Governmental Activities NonCurrent Liabilities	<u>\$47,320,442</u>	<u>\$1,049,567</u>	<u>\$4,378,825</u>	<u>\$43,991,184</u>	<u>\$2,981,625</u>

<b>Business-Type Activities:</b>	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Current Portion</u>
Revenue Bonds	\$55,080,000	\$8,070,000	\$3,110,000	\$60,040,000	\$3,255,000
Less Deferred Amounts for:					
Refunding Charges	(1,596,728)	--	(158,776)	(1,437,952)	--
Bond Discounts / Premiums (Net)	<u>1,382,192</u>	<u>1,073,050</u>	<u>89,776</u>	<u>2,365,466</u>	<u>--</u>
Total Revenue Bonds Payable	\$54,865,464	\$9,143,050	\$3,041,000	\$60,967,514	\$3,255,000
Compensated Absences	158,917	22,186	30,855	150,248	31,402
Early Termination Benefits	<u>--</u>	<u>33,222</u>	<u>--</u>	<u>33,222</u>	<u>7,767</u>
Business-Type Activities					
NonCurrent Liabilities	<u>\$55,024,381</u>	<u>\$9,198,458</u>	<u>\$3,071,855</u>	<u>\$61,150,984</u>	<u>\$3,294,169</u>

#### **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 \$962,710 reported at June 30, 2012, 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, 2012	\$52,589	\$484,097	\$508,257	\$28,429
Fiscal Year Ended June 30, 2011	20,175	401,807	369,393	52,589
<b>Dental and Vision Claims:</b>				
Fiscal Year Ended June 30, 2012	\$28,086	\$449,362	\$445,926	\$31,522
Fiscal Year Ended June 30, 2011	34,831	376,707	383,452	28,086
<b>Medical Claims:</b>				
Fiscal Year Ended June 30, 2012	\$744,193	\$7,634,981	\$7,476,415	\$902,759
Fiscal Year Ended June 30, 2011	308,325	6,244,299	5,808,431	744,193
<b>Total Claims:</b>				
Fiscal Year Ended June 30, 2012	\$824,868	\$8,568,440	\$8,430,598	\$962,710
Fiscal Year Ended June 30, 2011	363,331	7,022,813	6,561,276	824,868

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

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

*Funding Policy.* At June 30, 2012, the County had five 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, 2012, the County paid an estimated \$42,960 for this benefit.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual other postemployment benefit (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, 2012:

Annual Required Contribution (ARC):		
Normal Cost	\$133,303	
Amortization of Unfunded Actuarial Accrued Liability	<u>80,709</u>	\$214,012
Interest on Net OPEB Obligation		42,936
Adjustment to Annual Required Contribution		<u>77,754</u>
Annual OPEB Cost (Expense)		\$334,702
Less: Contributions Made		<u>(42,960)</u>
Increase in Net OPEB Obligation		\$291,742
Net OPEB Obligation, Beginning of Year		<u>609,603</u>
Net OPEB Obligation, End of Year		<u>\$901,345</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.

	Annual	Actual	Percent of	
<u>Fiscal Year Ending</u>	<u>OPEB Cost</u>	<u>County</u>	<u>Annual OPEB</u>	<u>Net OPEB</u>
		<u>Contribution</u>	<u>Cost Contributed</u>	<u>Obligation</u>
June 30, 2012	\$334,702	\$42,960	12.84%	\$901,345
June 30, 2011	261,459	18,139	6.94%	609,603
June 30, 2010	191,350	16,417	8.58%	366,283

*Funding Status and Funding Progress.* Based on the employee census data for January 1, 2011, which is the most recent actuarial valuation date, the County contributed 12.84 percent of the annual OPEB cost for FY 2012. The actuarial accrued liability was \$2,197,298 and the actuarial value of assets set aside to fund this liability was \$0, resulting in unfunded accrued actuarial liability of \$2,197,298. The annual OPEB cost for the 2012 fiscal year was \$334,702 of which \$42,960 was contributed. The covered payroll was \$32.6 million and the ratio of the unfunded actuarial liability to the covered payroll was 6.74 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.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, is intended to present multiyear trend information about whether

the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because of the significant cost involved to obtain this accounting estimate, the County has chosen to have the actuarial study performed every other year.

*Actuarial Methods and Assumptions.* 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:	January 1, 2011
Actuarial cost method:	Projected Unit Credit
Amortization method:	Closed periods using level dollar payments
Amortization period:	30
Asset valuation method:	Not Applicable
Actuarial assumptions:	
Investment rate of return	5.5% (Net of administrative costs)
Healthcare cost trend rate	5.0%
Discount rate	4.0%
Inflation Assumption	1.5% (Included in above percentages)

### **C. Employees' Pension Plan**

In the fiscal year 2010, the County established a hybrid retirement plan for employees. The plan consists of a defined benefit and 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.

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.

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Fayette County Employees (The Plan), which is a defined benefit pension plan. The plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan, administered by 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.

The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. GEBCorp issues a



publicly available financial report that includes financial statements and required supplementary information for ACCG. This report can be obtained by contacting GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

**Funding Policy.** The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The actuarial recommended contribution rate based on the January 1, 2011 valuation was 2.5% of payroll. However, the Board of Commissioners has adopted a contribution rate of 3.8% of payroll. The higher contribution was recommended at the establishment of the plan to smooth fluctuations in the plan and has been maintained since establishment of the plan. In addition to the 3.8% contributed by the County, employees are required to contribute 2.5% of salary to the plan for a total contribution of 6.3% of payroll. The unfunded liability is being amortized over 10 years.

The actuarial assumptions used as a basis in the pension valuation include the following:

Current Valuation Date	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5%-6.0% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Amortization Period	Ten Years

**Current Funded Status.** As of the most recent valuation date, January 1, 2012, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value Of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Surplus / Unfunded AAL (UAAL) ( b - a )	Funded Ratio ( a / b )	Covered Payroll ( c )	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
January 1, 2012	\$22,388,253	\$20,270,412	\$(2,117,841)	110.4%	\$31,009,475	(6.8%)

**Annual Pension Cost and Net Pension Asset.** The County's annual pension cost and net pension asset for the most recent fiscal years were determined as follows:

Derivation of Annual Pension Cost:	Fiscal Year Ended June 30		
	2012	2011	2010
Annual Required Contribution	\$777,081	\$760,869	\$596,470
Interest on Net Pension Asset	(62,307)	(24,272)	--
Amortization of Net Pension Obligation	66,668	25,971	--
Annual Pension Cost	<u>\$781,442</u>	<u>\$762,568</u>	<u>\$596,470</u>

Derivation of Net Pension Asset:	Fiscal Year Ended June 30		
	2012	2011	2010
Net Pension Asset – Beginning of the Year	<u>\$1,049,200</u>	<u>\$ 598,631</u>	<u>\$ --</u>
Annual Pension Cost for Fiscal Year	<u>\$(781,442)</u>	<u>\$(762,568)</u>	<u>\$(596,470)</u>
Actual Contributions to Plan for Fiscal Year	<u>1,227,929</u>	<u>1,213,137</u>	<u>1,195,101</u>
Increase in Net Pension Asset	<u>\$ 446,487</u>	<u>\$ 450,569</u>	<u>\$ 598,631</u>
Net Pension Asset – End of the Year	<u>\$1,495,687</u>	<u>\$1,049,200</u>	<u>\$ 598,631</u>

*Three Year Trend Information for the Defined Benefit Pension Plan:*

For Fiscal Period Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Asset
June 30, 2010	\$596,470	200.36%	\$ 598,631
June 30, 2011	762,568	159.09%	1,049,200
June 30, 2012	781,442	157.14%	1,495,687

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 \$1,818,263 to the defined contribution plan and the County contributed \$613,057 in matching funds. The Board of Commissioners establishes matching percentages.

**D. Contingent Liabilities**

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

**E. 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, 2012 were \$109,000. 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.

#### **F. Subsequent Events**

On July 6, 2012, Fayette County, Georgia issued \$15,590,000 in Series 2012B Water Revenue Refunding Bonds. The purpose of the bond issue was to refund a portion of the outstanding Series 2002 Water Revenue Bonds. The County determined that refunding the prior bonds would reduce the County's total debt service payments by approximately \$2,867,018 on an aggregate basis and by approximately \$2,365,968 on a net present value basis.

On October 26, 2012, Fayette County, Georgia made a payment of \$2,880,000 to the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan (the "Plan") for Fayette County employees. This one-time contribution to the Plan represented the estimated additional pension obligation associated with County's Early Termination Program in which 32 employees elected the early retirement benefits that were being offered prior to July 1, 2012.

On October 15, 2012, the Georgia Supreme Court ruled in favor of Fayette County Solicitor-General Jamie Inagawa, finding the County Commission illegally cut Inagawa's salary in July of 2007. As a result, the Court ordered the County to pay Inagawa more than five years of back pay, plus interest which came to a total of \$124,768. Payment of these court ordered amounts by the County occurred during November of 2012.

#### **G. Prior Period Adjustments**

A prior period adjustment was recorded in order to identify the deferred amounts associated with the Public Facilities Authority revenue bond refunding that occurred in April of 2011. The beginning balance of Net Assets for the Government Activities on the Government-Wide Statements was increased by \$1,867,818 which represented the recognition of Bond Premiums in the amount of \$1,509,351 and an offsetting Refunding Charge of \$3,377,169. The net effect of this adjustment was a decrease in NonCurrent Liabilities and an increase in Net Assets.

A prior period adjustment was recorded to correct a journal entry for Retainage Payable in the Criminal Justice Center Capital Projects Fund made during the fiscal year ended June 30, 2004. The net effect of this adjustment resulted in an increase in Assets, and an increase in the beginning Fund Balance and Net Assets for the Capital Projects Fund in the amount of \$2,382,745.

A prior period adjustment was recorded to correct road construction expenditures incurred in FY 2011 that were erroneously expensed on the Government-Wide Financial Statements. The net effect of this adjustment resulted in an increase in *Capital Assets* for Governmental Activities, and an increase in the beginning Net Assets balance in the amount of \$4,630,835.

## 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, 2012 was \$34,405,985. The various components comprising that amount are as follows:

Fund Balance:		
Nonspendable		\$ 246,522
Committed To:		
Stabilization Fund		11,300,171
Assigned To:		
Emergencies	\$2,000,000	
Encumbrances	90,014	
Appropriation to Balance Ensuing Year's Budget	2,841,872	
Capital Projects	9,450,024	
Pension Obligation	<u>2,435,200</u>	16,817,110
Unassigned:		<u>6,042,182</u>
Total Fund Balance		<u>\$34,405,985</u>

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. At June 30, 2012, \$11,300,171 of the Fund Balance, which represents 25% of the FY 2013 appropriations budget, was committed for this purpose.

As part of the updated policies, 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. By County policy, 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 which totaled \$90,014 at June 30, 2012. Accordingly, a portion of fund balance has been assigned for this purpose.

On June 28, 2012, the Board of Commissioners adopted resolution 2012-13 which set forth the approved budgets for Fiscal Year 2013. With the adoption of the General Fund operating budget, \$2,841,872 represented a portion of fund balance that was appropriated to cover the difference between budgeted revenues and appropriations for the ensuing fiscal year. The resolution also included the adoption of the Capital Improvements Program for the next five years which totaled \$9,450,024. The source of funding for the various construction projects was designated as appropriated Fund Balance. Both of these budget related assignments of fund balance are shown in the earlier tabular information.

On March 22, 2012, the Board adopted a Resolution setting forth the specifics of the early retirement program. As part of the resolution, the Board approved depositing funds into the defined benefit pension fund equal to the additional liability associated with the early terminations. On October 26, 2012, the County made a payment in the amount of \$2,880,000, of which \$2,435,200 came from the General Fund for the purpose of offsetting the actuarial determined pension liability.





*Where Quality Is A Lifestyle*

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Fayette County, Georgia**  
**Required Supplementary Information**

**Fayette County Employees Defined Benefit Pension Plan**  
**Schedule of Funding Progress**

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 ]
1/1/2010	\$ 15,311,443	\$ 15,500,023	\$ 188,580	98.78%	\$ 30,397,046	0.62%
1/1/2011	18,640,690	18,028,224	(612,466)	103.40%	31,434,837	-1.95%
1/1/2012	22,388,253	20,270,412	(2,117,841)	110.45%	31,009,475	-6.83%

**Other PostEmployment Benefits Plan**  
**Schedule of Funding Progress**

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%

**Fayette County, Georgia**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 37,257,400	\$ 38,482,400	\$ 39,412,885	\$ 930,485
Licenses and Permits	229,000	229,000	215,512	(13,488)
Intergovernmental	739,470	739,470	661,205	(78,265)
Charges for Services	1,661,440	1,661,440	1,911,227	249,787
Fines and Forfeitures	1,684,000	1,684,000	1,351,058	(332,942)
Investment Earnings	125,000	125,000	244,443	119,443
Contributions and Donations	5,000	14,000	15,795	1,795
Miscellaneous Revenues	198,500	267,850	364,915	97,065
Total Revenues	<u>\$ 41,899,810</u>	<u>\$ 43,203,160</u>	<u>\$ 44,177,040</u>	<u>\$ 973,880</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Commissioners	\$ 567,012	\$ 650,493	\$ 647,851	\$ 2,642
Administration	331,139	425,446	388,079	37,367
Elections	488,410	502,308	447,408	54,900
Finance	1,063,395	1,087,828	1,015,570	72,258
Purchasing	226,885	232,834	187,160	45,674
Law Department	181,452	392,408	383,198	9,210
Information Systems	753,188	753,188	684,213	68,975
Human Resources	432,515	468,082	458,030	10,052
Tax Commissioner	1,015,915	1,050,790	1,030,187	20,603
Tax Assessor	816,247	845,508	827,886	17,622
Buildings & Grounds Maintenance	1,679,935	1,746,598	1,704,720	41,878
Engineering Office	274,935	374,904	368,476	6,428
Non-Departmental	482,559	482,559	482,200	359
Total General Government	<u>\$ 8,313,587</u>	<u>\$ 9,012,946</u>	<u>\$ 8,624,978</u>	<u>\$ 387,968</u>
Judicial System:				
Judges, Court Reporter	\$ 339,645	\$ 339,645	\$ 339,112	\$ 533
Clerk of Superior Court	1,322,316	1,364,234	1,289,915	74,319
District Attorney	330,573	330,573	330,573	-
Clerk of State Court	295,102	326,663	316,044	10,619
State Court Solicitor	503,910	538,437	523,231	15,206
State Court Judge	331,047	335,505	322,952	12,553
Magistrate Court	493,955	522,011	506,567	15,444
Probate Court	361,621	361,621	355,177	6,444
Juvenile Court	326,477	357,994	353,105	4,889
Public Defender	484,806	484,806	484,806	-
Non-Departmental	223,956	224,268	216,182	8,086
Total Judicial System	<u>\$ 5,013,408</u>	<u>\$ 5,185,757</u>	<u>\$ 5,037,664</u>	<u>\$ 148,093</u>

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**Fayette County, Georgia**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Public Safety:				
Marshal	\$ 722,171	\$ 749,463	\$ 708,479	\$ 40,984
Sheriff's Office	16,789,299	17,775,469	17,189,728	585,741
County Coroner	74,698	90,190	89,282	908
Animal Control	325,740	343,662	332,909	10,753
Emergency Management	480,631	496,560	476,355	20,205
Non-Departmental	890,166	1,002,381	998,826	3,555
Total Public Safety	<u>\$ 19,282,705</u>	<u>\$ 20,457,725</u>	<u>\$ 19,795,579</u>	<u>\$ 662,146</u>
Public Works:				
Public Works Administration	\$ 189,910	\$ 192,492	\$ 179,199	\$ 13,293
Road Department	4,201,573	4,576,493	3,460,278	1,116,215
Stormwater Management	329,845	183,873	172,572	11,301
Fleet Maintenance	519,857	551,286	541,280	10,006
Total Public Works	<u>\$ 5,241,185</u>	<u>\$ 5,504,144</u>	<u>\$ 4,353,329</u>	<u>\$ 1,150,815</u>
Health and Welfare:				
Physical Health	\$ 336,211	\$ 336,211	\$ 336,211	\$ -
Fayette Counseling Center	127,939	127,939	127,939	-
Family and Children Services	40,128	40,128	40,128	-
Fayette Community Options	60,480	60,480	60,480	-
Senior Citizens Center	174,556	174,556	174,556	-
Youth Protection	19,743	19,743	19,743	-
Total Health and Welfare	<u>\$ 759,057</u>	<u>\$ 759,057</u>	<u>\$ 759,057</u>	<u>\$ -</u>
Culture and Recreation:				
Recreation	\$ 1,103,960	\$ 1,136,865	\$ 1,066,111	\$ 70,754
Library	873,435	966,788	952,993	13,795
Total Culture and Recreation	<u>\$ 1,977,395</u>	<u>\$ 2,103,653</u>	<u>\$ 2,019,104</u>	<u>\$ 84,549</u>
Housing and Development:				
County Extension	\$ 129,564	\$ 127,030	\$ 105,388	\$ 21,642
Georgia Forestry Commission	3,422	3,422	3,422	-
Permits and Inspections	447,931	464,209	462,092	2,117
Planning and Zoning	432,222	448,356	443,133	5,223
Development Authority	303,348	303,348	303,091	257
Total Housing and Development	<u>\$ 1,316,487</u>	<u>\$ 1,346,365</u>	<u>\$ 1,317,126</u>	<u>\$ 29,239</u>
Debt Service:				
Principal Retirement	\$ 1,855,425	\$ 950,000	\$ 950,000	\$ -
Interest and Fiscal Charges	1,965,099	1,876,763	1,875,759	1,004
Total Debt Service	<u>\$ 3,820,524</u>	<u>\$ 2,826,763</u>	<u>\$ 2,825,759</u>	<u>\$ 1,004</u>
Total Expenditures	<u>\$ 45,724,348</u>	<u>\$ 47,196,410</u>	<u>\$ 44,732,596</u>	<u>\$ 2,463,814</u>

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Fayette County, Georgia  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,824,538)	\$ (3,993,250)	\$ (555,556)	\$ 3,437,694
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	\$ 800,989	\$ 1,357,691	\$ 1,281,714	\$ (75,977)
Transfers Out	(3,522,434)	(3,734,371)	(3,628,289)	106,082
Sale of Capital Assets	-	-	34,772	34,772
Total Other Financing Sources (Uses)	\$ (2,721,445)	\$ (2,376,680)	\$ (2,311,803)	\$ 64,877
Net Change in Fund Balance	\$ (6,545,983)	\$ (6,369,930)	\$ (2,867,359)	\$ 3,502,571
Fund Balance, Beginning of Year	37,273,344	37,273,344	37,273,344	-
Fund Balance, End of Year	<u>\$ 30,727,361</u>	<u>\$ 30,903,414</u>	<u>\$ 34,405,985</u>	<u>\$ 3,502,571</u>



**Fayette County, Georgia**  
**Fire Services Tax District Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes:				
Property	\$ 4,572,400	\$ 5,609,900	\$ 5,646,529	\$ 36,629
Other	2,080,700	2,080,700	2,063,643	(17,057)
Charges for Services	47,500	47,500	46,467	(1,033)
Investment Earnings	7,000	7,000	15,318	8,318
Contributions and Donations	-	1,920	1,920	-
Miscellaneous Revenues	33,500	47,618	107,721	60,103
Total Revenues	<u>\$ 6,741,100</u>	<u>\$ 7,794,638</u>	<u>\$ 7,881,598</u>	<u>\$ 86,960</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Fire Services	<u>\$ 7,569,180</u>	<u>\$ 7,997,118</u>	<u>\$ 7,888,320</u>	<u>\$ 108,798</u>
Total Expenditures	<u>\$ 7,569,180</u>	<u>\$ 7,997,118</u>	<u>\$ 7,888,320</u>	<u>\$ 108,798</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (828,080)</u>	<u>\$ (202,480)</u>	<u>\$ (6,722)</u>	<u>\$ 195,758</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	\$ -	\$ 5,894	\$ 5,894	\$ -
Transfers Out	<u>(101,329)</u>	<u>(101,329)</u>	<u>(101,329)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ (101,329)</u>	<u>\$ (95,435)</u>	<u>\$ (95,435)</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ (929,409)	\$ (297,915)	\$ (102,157)	\$ 195,758
Fund Balance, Beginning of Year	<u>2,765,808</u>	<u>2,765,808</u>	<u>2,765,808</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,836,399</u></u>	<u><u>\$ 2,467,893</u></u>	<u><u>\$ 2,663,651</u></u>	<u><u>\$ 195,758</u></u>

**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, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes:				
Property	\$ 1,688,500	\$ 1,367,500	\$ 1,400,330	\$ 32,830
Other	11,000	11,000	9,238	(1,762)
Charges for Services	1,700,000	1,700,000	1,729,231	29,231
Investment Earnings	-	-	551	551
Miscellaneous Revenues	-	-	219	219
Total Revenues	<u>\$ 3,399,500</u>	<u>\$ 3,078,500</u>	<u>\$ 3,139,569</u>	<u>\$ 61,069</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Emergency Medical Services	<u>\$ 3,098,355</u>	<u>\$ 3,229,283</u>	<u>\$ 3,107,416</u>	<u>\$ 121,867</u>
Total Expenditures	<u>\$ 3,098,355</u>	<u>\$ 3,229,283</u>	<u>\$ 3,107,416</u>	<u>\$ 121,867</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>\$ 301,145</u>	<u>\$ (150,783)</u>	<u>\$ 32,153</u>	<u>\$ 182,936</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>\$ (40,107)</u>	<u>\$ (40,107)</u>	<u>\$ (40,107)</u>	<u>\$ -</u>
Total Other Financing				
Sources (Uses)	<u>\$ (40,107)</u>	<u>\$ (40,107)</u>	<u>\$ (40,107)</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ 261,038	\$ (190,890)	\$ (7,954)	\$ 182,936
Fund Balance, Beginning of Year	<u>2,049,164</u>	<u>2,049,164</u>	<u>2,049,164</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,310,202</u>	<u>\$ 1,858,274</u>	<u>\$ 2,041,210</u>	<u>\$ 182,936</u>



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

**Fayette County, Georgia**  
**NonMajor Governmental Funds**

**Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The County has the following five NonMajor Special Revenue Funds.

Emergency 911 Services Fund – This fund is used to account for taxes collected from a separate tax levy and user fees generated from telephone customers that are restricted to the operation of a call center to handle the communications between citizens and public safety providers.

Street Lights Fund - This fund is used to account for a separate tax levy that is restricted to the provision of street lighting services for subscribing property owners for this service.

Grants Fund - This fund is used to account for the various federal and state grant monies that are received and legally restricted for purposes specified in the grant application.

Confiscated Assets Fund – This fund is used to account for cash received from the confiscation of assets of individuals convicted of drug offenses which is restricted to law enforcement purposes.

Fine Surcharges Fund – This fund is used to account for the collection of fine surcharges which are restricted as to use for specific court or law enforcement related programs.

**Capital Projects Funds**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds. The County has the following six NonMajor Capital Projects Funds.

Library SPLOST Fund – This fund is used to account for the construction activities of the library. Funds for this project came from a Special Purpose Local Option Sales Tax (SPLOST) that was approved by the voters.

Unincorporated County Roads SPLOST Fund – This fund is used to account for the construction of specific road and road improvements that were approved by the voters in a special referendum. Funding for these projects came from a Special Purpose Local Option Sales Tax (SPLOST) levied for this purpose.

Early Warning Sirens Fund – This fund is used to account for the construction of an early warning siren system throughout the County to alert citizens to potentially dangerous weather conditions.

Kenwood Park Construction Fund – This fund is used to account for the construction of a recreational park in the northern part of the County. Funding for this project came from general tax revenues.

Criminal Justice Center Construction Fund – This fund is used to account for the construction of the Criminal Justice Center. Funding of this project came from the issuance of revenue bonds by the Fayette County Public Facilities Authority.

Capital Projects Fund – This fund is used to account for miscellaneous projects that are approved as part of the Capital Improvement Program. Funding for these projects typically comes from transfers of monies from the tax supported funds.

**Fayette County, Georgia**  
**Combining Balance Sheet**  
**NonMajor Governmental Funds**  
**June 30, 2012**

	Special Revenue Funds	Capital Projects Funds	Total NonMajor Governmental Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,765,430	\$ 7,838,664	\$ 9,604,094
Investments	-	4,055,805	4,055,805
Receivables (Net of Allowances for Uncollectibles)	358,702	5	358,707
Prepaid Items	8,547	-	8,547
Total Assets	<u>\$ 2,132,679</u>	<u>\$ 11,894,474</u>	<u>\$ 14,027,153</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Accounts Payable	\$ 79,200	\$ 213,307	\$ 292,507
Salary and Benefits Payable	71,424	-	71,424
Unearned Revenue	12,245	-	12,245
Total Liabilities	<u>\$ 162,869</u>	<u>\$ 213,307</u>	<u>\$ 376,176</u>
Fund Balances:			
Nonspendable	\$ 8,547	\$ -	\$ 8,547
Restricted For:			
Road Construction	-	1,443,998	1,443,998
Library Services	-	170,441	170,441
Court Services	280,744	-	280,744
E-911 Communications	626,841	-	626,841
Law Enforcement Purposes	959,207	-	959,207
Street Lights	73,354	-	73,354
Federal and State Grants	21,117	-	21,117
Committed To:			
Capital Projects	-	10,066,728	10,066,728
Total Fund Balances	<u>\$ 1,969,810</u>	<u>\$ 11,681,167</u>	<u>\$ 13,650,977</u>
Total Liabilities and Fund Balances	<u>\$ 2,132,679</u>	<u>\$ 11,894,474</u>	<u>\$ 14,027,153</u>



**Fayette County, Georgia**  
**Combining Balance Sheet**  
**NonMajor Special Revenue Funds**  
**June 30, 2012**

	<u>Emergency 911</u>	<u>Street Lights</u>	<u>Grants</u>	<u>Confiscated Assets</u>	<u>Fine Surcharges</u>	<u>Totals</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 443,826	\$ 71,543	\$ 14,243	\$ 954,986	\$ 280,832	\$ 1,765,430
Receivables (Net of Allowances for Uncollectibles)	283,610	5,174	17,794	5,401	46,723	358,702
Prepaid Items	<u>1,360</u>	<u>-</u>	<u>-</u>	<u>7,162</u>	<u>25</u>	<u>8,547</u>
Total Assets	<u>\$ 728,796</u>	<u>\$ 76,717</u>	<u>\$ 32,037</u>	<u>\$ 967,549</u>	<u>\$ 327,580</u>	<u>\$ 2,132,679</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Accounts Payable	\$ 22,503	\$ -	\$ 10,920	\$ 9,903	\$ 35,874	\$ 79,200
Salary and Benefits Payable	69,210	-	-	-	2,214	71,424
Unearned Revenue	<u>8,882</u>	<u>3,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,245</u>
Total Liabilities	<u>\$ 100,595</u>	<u>\$ 3,363</u>	<u>\$ 10,920</u>	<u>\$ 9,903</u>	<u>\$ 38,088</u>	<u>\$ 162,869</u>
Fund Balances:						
Nonspendable	\$ 1,360	\$ -	\$ -	\$ 7,162	\$ 25	\$ 8,547
Restricted For:						
Court Services Purposes	-	-	-	-	280,744	280,744
E-911 Communications	626,841	-	-	-	-	626,841
Law Enforcement Purposes	-	-	-	950,484	8,723	959,207
Street Lights	-	73,354	-	-	-	73,354
Federal and State Grants	<u>-</u>	<u>-</u>	<u>21,117</u>	<u>-</u>	<u>-</u>	<u>21,117</u>
Total Fund Balances	<u>\$ 628,201</u>	<u>\$ 73,354</u>	<u>\$ 21,117</u>	<u>\$ 957,646</u>	<u>\$ 289,492</u>	<u>\$ 1,969,810</u>
Total Liabilities and Fund Balances	<u>\$ 728,796</u>	<u>\$ 76,717</u>	<u>\$ 32,037</u>	<u>\$ 967,549</u>	<u>\$ 327,580</u>	<u>\$ 2,132,679</u>

**Fayette County, Georgia**  
**Combining Balance Sheet**  
**NonMajor Capital Projects Funds**  
**June 30, 2012**

	Library SPLOST	Unincorporated County Roads SPLOST	Early Warning Sirens	Kenwood Park Construction	Criminal Justice Center	General Capital Projects	Totals
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 181,569	\$ 1,575,035	\$ 129,497	\$ 647,930	\$ -	\$ 5,304,633	\$ 7,838,664
Investments	-	-	-	-	-	4,055,805	4,055,805
Receivables (Net of Allowances for Uncollectibles)	-	-	-	5	-	-	5
Total Assets	<u>\$ 181,569</u>	<u>\$ 1,575,035</u>	<u>\$ 129,497</u>	<u>\$ 647,935</u>	<u>\$ -</u>	<u>\$ 9,360,438</u>	<u>\$ 11,894,474</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Liabilities:							
Accounts Payable	\$ 11,128	\$ 131,037	\$ 35,696	\$ -	\$ -	\$ 35,446	\$ 213,307
Total Liabilities	<u>\$ 11,128</u>	<u>\$ 131,037</u>	<u>\$ 35,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,446</u>	<u>\$ 213,307</u>
Fund Balances:							
Restricted For:							
Road Construction	\$ -	\$ 1,443,998	\$ -	\$ -	\$ -	\$ -	\$ 1,443,998
Library Services	170,441	-	-	-	-	-	170,441
Committed To:							
Capital Projects	-	-	93,801	647,935	-	9,324,992	10,066,728
Total Fund Balances	<u>\$ 170,441</u>	<u>\$ 1,443,998</u>	<u>\$ 93,801</u>	<u>\$ 647,935</u>	<u>\$ -</u>	<u>\$ 9,324,992</u>	<u>\$ 11,681,167</u>
Total Liabilities and Fund Balances	<u>\$ 181,569</u>	<u>\$ 1,575,035</u>	<u>\$ 129,497</u>	<u>\$ 647,935</u>	<u>\$ -</u>	<u>\$ 9,360,438</u>	<u>\$ 11,894,474</u>

**Fayette County, Georgia**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**NonMajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Special Revenue Funds	Capital Projects Funds	Total NonMajor Governmental Funds
<b>REVENUES:</b>			
Taxes:			
Property	\$ 1,257,204	\$ -	\$ 1,257,204
Other	1,714	-	1,714
Intergovernmental	748,339	-	748,339
Charges for Services	1,801,437	-	1,801,437
Fines and Forfeitures	922,107	-	922,107
Investment Earnings	581	34,693	35,274
Miscellaneous Revenues	26,686	-	26,686
Total Revenues	<u>\$ 4,758,068</u>	<u>\$ 34,693</u>	<u>\$ 4,792,761</u>
<b>EXPENDITURES:</b>			
Current:			
Judicial System	\$ 446,175	\$ -	\$ 446,175
Public Safety	4,387,571	-	4,387,571
Public Works	294,968	-	294,968
Debt Service:			
Principal Retirement	905,425	-	905,425
Interest and Fiscal Charges	88,337	4,443	92,780
Capital Outlay	-	2,585,465	2,585,465
Total Expenditures	<u>\$ 6,122,476</u>	<u>\$ 2,589,908</u>	<u>\$ 8,712,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,364,408)</u>	<u>\$ (2,555,215)</u>	<u>\$ (3,919,623)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	\$ 284,217	\$ 3,536,280	\$ 3,820,497
Transfers Out	(141,454)	(657,276)	(798,730)
Sale of Capital Assets	225,526	28,765	254,291
Total Other Financing Sources (Uses)	<u>\$ 368,289</u>	<u>\$ 2,907,769</u>	<u>\$ 3,276,058</u>
Net Change in Fund Balance	\$ (996,119)	\$ 352,554	\$ (643,565)
Fund Balance, Beginning of Year (as Restated)	<u>2,965,929</u>	<u>11,328,613</u>	<u>14,294,542</u>
Fund Balance, End of Year	<u>\$ 1,969,810</u>	<u>\$ 11,681,167</u>	<u>\$ 13,650,977</u>

**Fayette County, Georgia**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**NonMajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

<b>REVENUES:</b>	<u>Emergency 911</u>	<u>Street Lights</u>	<u>Grants</u>	<u>Confiscated Assets</u>	<u>Fine Surcharges</u>	<u>Totals</u>
Taxes:						
Property	\$ 939,780	\$ 317,424	\$ -	\$ -	\$ -	\$ 1,257,204
Other	1,714	-	-	-	-	1,714
Intergovernmental	300,211	-	126,297	-	321,831	748,339
Charges for Services	1,801,437	-	-	-	-	1,801,437
Fines and Forfeitures	-	-	-	607,235	314,872	922,107
Investment Earnings	62	-	-	519	-	581
Miscellaneous Revenues	-	-	-	26,686	-	26,686
Total Revenues	<u>\$ 3,043,204</u>	<u>\$ 317,424</u>	<u>\$ 126,297</u>	<u>\$ 634,440</u>	<u>\$ 636,703</u>	<u>\$ 4,758,068</u>
<b>EXPENDITURES:</b>						
Current:						
Judicial System	\$ -	\$ -	\$ 116,811	\$ -	\$ 329,364	\$ 446,175
Public Safety	2,532,563	-	10,868	1,401,859	442,281	4,387,571
Public Works	-	294,968	-	-	-	294,968
Debt Service:						
Principal Retirement	905,425	-	-	-	-	905,425
Interest and Fiscal Charges	88,337	-	-	-	-	88,337
Total Expenditures	<u>\$ 3,526,325</u>	<u>\$ 294,968</u>	<u>\$ 127,679</u>	<u>\$ 1,401,859</u>	<u>\$ 771,645</u>	<u>\$ 6,122,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (483,121)</u>	<u>\$ 22,456</u>	<u>\$ (1,382)</u>	<u>\$ (767,419)</u>	<u>\$ (134,942)</u>	<u>\$ (1,364,408)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	\$ 259,217	\$ -	\$ -	\$ -	\$ 25,000	\$ 284,217
Transfers Out	(137,454)	(4,000)	-	-	-	(141,454)
Sale of Capital Assets	-	-	-	225,526	-	225,526
Total Other Financing Sources (Uses)	<u>\$ 121,763</u>	<u>\$ (4,000)</u>	<u>\$ -</u>	<u>\$ 225,526</u>	<u>\$ 25,000</u>	<u>\$ 368,289</u>
Net Change in Fund Balance	\$ (361,358)	\$ 18,456	\$ (1,382)	\$ (541,893)	\$ (109,942)	\$ (996,119)
Fund Balance, Beginning of Year	<u>989,559</u>	<u>54,898</u>	<u>22,499</u>	<u>1,499,539</u>	<u>399,434</u>	<u>2,965,929</u>
Fund Balance, End of Year	<u>\$ 628,201</u>	<u>\$ 73,354</u>	<u>\$ 21,117</u>	<u>\$ 957,646</u>	<u>\$ 289,492</u>	<u>\$ 1,969,810</u>

**Fayette County, Georgia**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**NonMajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Library SPLOST	Unincorporated County Roads SPLOST	Early Warning Sirens	Kenwood Park	Criminal Justice Center	General Capital Projects	Totals
<b>REVENUES:</b>							
Investment Earnings	\$ 201	\$ 1,919	\$ 3	\$ 63	\$ -	\$ 32,507	\$ 34,693
Total Revenues	\$ 201	\$ 1,919	\$ 3	\$ 63	\$ -	\$ 32,507	\$ 34,693
<b>EXPENDITURES:</b>							
Debt Service:							
Interest and Fiscal							
Charges	\$ -	\$ -	\$ -	\$ -	\$ 4,443	\$ -	\$ 4,443
Capital Outlay	514,029	178,782	35,696	-	-	1,856,958	2,585,465
Total Expenditures	\$ 514,029	\$ 178,782	\$ 35,696	\$ -	\$ 4,443	\$ 1,856,958	\$ 2,589,908
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	\$ (513,828)	\$ (176,863)	\$ (35,693)	\$ 63	\$ (4,443)	\$ (1,824,451)	\$ (2,555,215)
<b>OTHER FINANCING SOURCES</b>							
<b>(USES):</b>							
Transfers In	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ 3,491,280	\$ 3,536,280
Transfers Out	-	-	-	(50,000)	(16,498)	(590,778)	(657,276)
Sale of Capital Assets	-	-	-	-	-	28,765	28,765
Total Other Financing							
Sources (Uses)	\$ -	\$ -	\$ 45,000	\$ (50,000)	\$ (16,498)	\$ 2,929,267	\$ 2,907,769
Net Change in Fund Balance	\$ (513,828)	\$ (176,863)	\$ 9,307	\$ (49,937)	\$ (20,941)	\$ 1,104,816	\$ 352,554
Fund Balance, Beginning of Year							
(as Restated)	684,269	1,620,861	84,494	697,872	20,941	8,220,176	11,328,613
Fund Balance, End of Year	\$ 170,441	\$ 1,443,998	\$ 93,801	\$ 647,935	\$ -	\$ 9,324,992	\$ 11,681,167



**Fayette County, Georgia**  
**Emergency 911 (E-911) Tax District Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>				
Taxes:				
Property	\$ -	\$ 977,000	\$ 939,780	\$ (37,220)
Other	-	-	1,714	1,714
Intergovernmental	421,957	300,210	300,211	1
Charges for Services	1,885,000	1,885,000	1,801,437	(83,563)
Investment Earnings	-	-	62	62
Total Revenues	<u>\$ 2,306,957</u>	<u>\$ 3,162,210</u>	<u>\$ 3,043,204</u>	<u>\$ (119,006)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Emergency 911	\$ 2,656,342	\$ 2,656,342	\$ 2,532,563	\$ 123,779
Debt Service:				
Principal Retirement	-	905,425	905,425	-
Interest and Fiscal Charges	-	88,336	88,337	(1)
Total Expenditures	<u>\$ 2,656,342</u>	<u>\$ 3,650,103</u>	<u>\$ 3,526,325</u>	<u>\$ 123,778</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (349,385)</u>	<u>\$ (487,893)</u>	<u>\$ (483,121)</u>	<u>\$ 4,772</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	\$ 364,340	\$ 259,217	\$ 259,217	\$ -
Transfers Out	<u>(137,455)</u>	<u>(137,455)</u>	<u>(137,454)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>\$ 226,885</u>	<u>\$ 121,762</u>	<u>\$ 121,763</u>	<u>\$ 1</u>
Net Change in Fund Balance	\$ (122,500)	\$ (366,131)	\$ (361,358)	\$ 4,773
Fund Balance, Beginning of Year	<u>989,559</u>	<u>989,559</u>	<u>989,559</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 867,059</u></u>	<u><u>\$ 623,428</u></u>	<u><u>\$ 628,201</u></u>	<u><u>\$ 4,773</u></u>

**Fayette County, Georgia**  
**Street Lights Tax District Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
<b>REVENUES:</b>	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Taxes:				
Property	\$ 315,000	\$ 315,000	\$ 317,424	\$ 2,424
Total Revenues	\$ 315,000	\$ 315,000	\$ 317,424	\$ 2,424
<b>EXPENDITURES:</b>				
Current:				
Public Works:				
Street Lights	\$ 293,818	\$ 297,143	\$ 294,968	\$ 2,175
Total Expenditures	\$ 293,818	\$ 297,143	\$ 294,968	\$ 2,175
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 21,182	\$ 17,857	\$ 22,456	\$ 4,599
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ -
Total Other Financing Sources (Uses)	\$ (4,000)	\$ (4,000)	\$ (4,000)	\$ -
Net Change in Fund Balance	\$ 17,182	\$ 13,857	\$ 18,456	\$ 4,599
Fund Balance, Beginning of Year	54,898	54,898	54,898	-
Fund Balance, End of Year	<u>\$ 72,080</u>	<u>\$ 68,755</u>	<u>\$ 73,354</u>	<u>\$ 4,599</u>

**Fayette County, Georgia**  
**Grants Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

<b>REVENUES:</b>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Intergovernmental:				
Judicial Data Exchange Grant	\$ 198,395	\$ 198,395	\$ 112,750	\$ (85,645)
Emergency Medical Services Grant	-	4,449	4,449	-
Juvenile Offenders Grant	-	9,099	9,098	(1)
Total Revenues	<u>\$ 198,395</u>	<u>\$ 211,943</u>	<u>\$ 126,297</u>	<u>\$ (85,646)</u>
<b>EXPENDITURES:</b>				
Current:				
Judicial System:				
Juvenile Offenders	\$ -	\$ 9,099	\$ 9,061	\$ 38
Judicial Data Exchange	193,324	193,324	107,750	85,574
Public Safety:				
Emergency Management	11,177	11,177	10,868	309
Emergency Medical Services	323	4,771	-	4,771
Total Expenditures	<u>\$ 204,824</u>	<u>\$ 218,371</u>	<u>\$ 127,679</u>	<u>\$ 90,692</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (6,429)	\$ (6,428)	\$ (1,382)	\$ 5,046
Fund Balance, Beginning of Year	<u>22,499</u>	<u>22,499</u>	<u>22,499</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 16,070</u>	<u>\$ 16,071</u>	<u>\$ 21,117</u>	<u>\$ 5,046</u>

**Fayette County, Georgia**  
**Confiscated Assets Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>				
Fines and Forfeitures:				
U. S. Customs	\$ -	\$ 359,347	\$ 359,348	\$ 1
Federal	-	245,521	245,522	1
State	20,000	21,189	2,365	(18,824)
Investment Earnings	-	520	519	(1)
Miscellaneous Revenues	-	26,685	26,686	1
Total Revenues	<u>\$ 20,000</u>	<u>\$ 653,262</u>	<u>\$ 634,440</u>	<u>\$ (18,822)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Sheriff's Office:				
U. S. Customs	\$ -	\$ 862,054	\$ 862,046	\$ 8
Federal	-	517,855	517,838	17
State	55,400	55,400	21,975	33,425
Total Expenditures	<u>\$ 55,400</u>	<u>\$ 1,435,309</u>	<u>\$ 1,401,859</u>	<u>\$ 33,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (35,400)</u>	<u>\$ (782,047)</u>	<u>\$ (767,419)</u>	<u>\$ 14,628</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Capital Assets	<u>\$ -</u>	<u>\$ 225,526</u>	<u>\$ 225,526</u>	<u>\$ -</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 225,526</u>	<u>\$ 225,526</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ (35,400)</u>	<u>\$ (556,521)</u>	<u>\$ (541,893)</u>	<u>\$ 14,628</u>
Fund Balance, Beginning of Year	<u>1,499,539</u>	<u>1,499,539</u>	<u>1,499,539</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,464,139</u></u>	<u><u>\$ 943,018</u></u>	<u><u>\$ 957,646</u></u>	<u><u>\$ 14,628</u></u>

**Fayette County, Georgia**  
**Fine Surcharges Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental:				
Jail Construction Surcharge	\$ 308,000	\$ 283,000	\$ 226,041	\$ (56,959)
Victim' Assistance Surcharge	121,000	121,000	95,790	(25,210)
Fines and Forfeitures:				
Jail Construction Surcharge	115,000	115,000	108,829	(6,171)
Victims' Assistance Surcharge	60,000	60,000	49,208	(10,792)
Drug Abuse Education Surcharge	85,000	85,000	68,990	(16,010)
Juvenile Court Supervision Surcharge	30,000	30,000	26,736	(3,264)
Law Library Surcharge	66,000	66,000	61,109	(4,891)
Total Revenues	<u>\$ 785,000</u>	<u>\$ 760,000</u>	<u>\$ 636,703</u>	<u>\$ (123,297)</u>
<b>EXPENDITURES:</b>				
Current:				
Judicial System:				
Victims' Assistance	\$ 184,411	\$ 190,083	\$ 186,636	\$ 3,447
Drug Abuse Education	59,450	59,450	57,177	2,273
Juvenile Court Supervision	30,630	30,630	24,704	5,926
Law Library	67,160	67,160	60,847	6,313
Public Safety:				
Jail Construction	447,942	447,942	442,281	5,661
Total Expenditures	<u>\$ 789,593</u>	<u>\$ 795,265</u>	<u>\$ 771,645</u>	<u>\$ 23,620</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,593)</u>	<u>\$ (35,265)</u>	<u>\$ (134,942)</u>	<u>\$ (99,677)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Total Other Financing Sources	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ (4,593)	\$ (10,265)	\$ (109,942)	\$ (99,677)
Fund Balance, Beginning of Year	<u>399,434</u>	<u>399,434</u>	<u>399,434</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 394,841</u></u>	<u><u>\$ 389,169</u></u>	<u><u>\$ 289,492</u></u>	<u><u>\$ (99,677)</u></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, 2012

	<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)	\$ 68,303,785	\$ -	\$ 68,303,785	\$ 81,100,087
Intergovernmental:				
Grants	447,824	-	447,824	-
Investment Earnings	<u>3,890,003</u>	<u>173,201</u>	<u>4,063,204</u>	<u>-</u>
Total Revenues	<u>\$ 72,641,612</u>	<u>\$ 173,201</u>	<u>\$ 72,814,813</u>	<u>\$ 81,100,087</u>
<b>EXPENDITURES:</b>				
Capital Outlay:				
Streets and Bridges	<u>\$ 17,343,374</u>	<u>\$ 4,875,639</u>	<u>\$ 22,219,013</u>	<u>\$ 81,100,087</u>
Total Expenditures	<u>\$ 17,343,374</u>	<u>\$ 4,875,639</u>	<u>\$ 22,219,013</u>	<u>\$ 81,100,087</u>
Excess of Revenues Over Expenditures	<u>\$ 55,298,238</u>	<u>\$ (4,702,438)</u>	<u>\$ 50,595,800</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	\$ 205,000	\$ -	\$ 205,000	\$ -
Sale of Capital Assets	<u>97</u>	<u>-</u>	<u>97</u>	<u>-</u>
Total Other Financing Sources	<u>\$ 205,097</u>	<u>\$ -</u>	<u>\$ 205,097</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ 55,503,335</u>	<u>\$ (4,702,438)</u>	<u>\$ 50,800,897</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>55,503,335</u>		
Fund Balance, End of Year		<u>\$ 50,800,897</u>		

**Fayette County, Georgia**  
**Library Construction 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, 2012**

	<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)	\$ 5,232,592	\$ -	\$ 5,232,592	\$ 4,700,000
Intergovernmental:				
Construction Grant	660,857	-	660,857	2,000,000
Investment Earnings	<u>1,367,823</u>	<u>201</u>	<u>1,368,024</u>	<u>-</u>
Total Revenues	<u>\$ 7,261,272</u>	<u>\$ 201</u>	<u>\$ 7,261,473</u>	<u>\$ 6,700,000</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and Recreation:				
Library	\$ 2,205,219	\$ -	\$ 2,205,219	\$ 1,500,000
Capital Outlay:				
Library	3,139,369	514,029	3,653,398	4,000,000
Intergovernmental:				
City of Peachtree City	<u>1,232,415</u>	<u>-</u>	<u>1,232,415</u>	<u>1,200,000</u>
Total Expenditures	<u>\$ 6,577,003</u>	<u>\$ 514,029</u>	<u>\$ 7,091,032</u>	<u>\$ 6,700,000</u>
Excess of Revenues Over Expenditures	<u>\$ 684,269</u>	<u>\$ (513,828)</u>	<u>\$ 170,441</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>684,269</u>		
Fund Balance, End of Year		<u>\$ 170,441</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, 2012**

	<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)	\$ 29,273,015	\$ -	\$ 29,273,015	\$ 34,757,180
Intergovernmental:				
Clayton County	65,959	-	65,959	-
City of Peachtree City	63,263	-	63,263	-
Investment Earnings	468,093	1,919	470,012	-
Total Revenues	<u>\$ 29,870,330</u>	<u>\$ 1,919</u>	<u>\$ 29,872,249</u>	<u>\$ 34,757,180</u>
<b>EXPENDITURES:</b>				
Capital Outlay:				
Streets and Bridges	\$ 13,106,730	\$ 178,782	\$ 13,285,512	\$ 16,780,767
Intergovernmental:				
Town of Brooks	178,617	-	178,617	212,019
City of Fayetteville	3,577,769	-	3,577,769	4,247,327
City of Peachtree City	10,130,181	-	10,130,181	12,025,984
Town of Tyrone	1,256,172	-	1,256,172	1,491,083
Total Expenditures	<u>\$ 28,249,469</u>	<u>\$ 178,782</u>	<u>\$ 28,428,251</u>	<u>\$ 34,757,180</u>
Excess of Revenues Over Expenditures	<u>\$ 1,620,861</u>	<u>\$ (176,863)</u>	<u>\$ 1,443,998</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>1,620,861</u>		
Fund Balance, End of Year		<u>\$ 1,443,998</u>		

**Fayette County, Georgia**  
**Early Warning Sirens 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, 2012**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Earnings	\$ 4,002	\$ 3	\$ 4,005	\$ -
Intergovernmental:				
Grants	201,399	-	201,399	201,399
Cities	5,405	-	5,405	5,405
Miscellaneous Revenues	500	-	500	-
Total Revenues	<u>\$ 211,306</u>	<u>\$ 3</u>	<u>\$ 211,309</u>	<u>\$ 206,804</u>
<b>EXPENDITURES:</b>				
Capital Outlay:				
Early Warning Siren System	<u>\$ 970,176</u>	<u>\$ 35,696</u>	<u>\$ 1,005,872</u>	<u>\$ 1,095,168</u>
Total Expenditures	<u>\$ 970,176</u>	<u>\$ 35,696</u>	<u>\$ 1,005,872</u>	<u>\$ 1,095,168</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (758,870)</u>	<u>\$ (35,693)</u>	<u>\$ (794,563)</u>	<u>\$ (888,364)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	<u>\$ 843,364</u>	<u>\$ 45,000</u>	<u>\$ 888,364</u>	<u>\$ 888,364</u>
Total Other Financing Sources	<u>\$ 843,364</u>	<u>\$ 45,000</u>	<u>\$ 888,364</u>	<u>\$ 888,364</u>
Net Change in Fund Balance	<u>\$ 84,494</u>	<u>\$ 9,307</u>	<u>\$ 93,801</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>84,494</u>		
Fund Balance, End of Year		<u>\$ 93,801</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, 2012**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Earnings	\$ 38,581	\$ 63	\$ 38,644	\$ -
Total Revenues	<u>\$ 38,581</u>	<u>\$ 63</u>	<u>\$ 38,644</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>\$ (4,242,474)</u>	<u>\$ 63</u>	<u>\$ (4,242,411)</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	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>\$ 4,940,346</u>	<u>\$ (50,000)</u>	<u>\$ 4,890,346</u>	<u>\$ 4,890,346</u>
Net Change in Fund Balance	<u>\$ 697,872</u>	<u>\$ (49,937)</u>	<u>\$ 647,935</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>697,872</u>		
Fund Balance, End of Year		<u>\$ 647,935</u>		



**Fayette County, Georgia**  
**Criminal Justice Center 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, 2012**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES:</b>				
Investment Earnings	\$ 9,763,289	\$ -	\$ 9,763,289	\$ 169,383
Miscellaneous Revenues	<u>23,343</u>	<u>-</u>	<u>23,343</u>	<u>-</u>
Total Revenues	<u>\$ 9,786,632</u>	<u>\$ -</u>	<u>\$ 9,786,632</u>	<u>\$ 169,383</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal	\$ 1,165,000	\$ -	\$ 1,165,000	\$ -
Interest and Fiscal Charges	2,683,686	4,443	2,688,129	-
Debt Issuance Costs	726,638	-	726,638	835,909
Capital Outlay:				
Criminal Justice Center	<u>49,124,305</u>	<u>-</u>	<u>49,124,305</u>	<u>51,036,186</u>
Total Expenditures	<u>\$ 53,699,629</u>	<u>\$ 4,443</u>	<u>\$ 53,704,072</u>	<u>\$ 51,872,095</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (43,912,997)</u>	<u>\$ (4,443)</u>	<u>\$ (43,917,440)</u>	<u>\$ (51,702,712)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	\$ (3,326,817)	\$ (16,498)	\$ (3,343,315)	\$ (3,326,817)
Proceeds from Revenue Bonds	105,109,849	-	105,109,849	104,698,507
Payment to Refunding Escrow	<u>(57,849,094)</u>	<u>-</u>	<u>(57,849,094)</u>	<u>(49,668,978)</u>
Total Other Financing Sources (Uses)	<u>\$ 43,933,938</u>	<u>\$ (16,498)</u>	<u>\$ 43,917,440</u>	<u>\$ 51,702,712</u>
Net Change in Fund Balance	<u>\$ 20,941</u>	<u>\$ (20,941)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>20,941</u>		
Fund Balance, End of Year		<u>\$ -</u>		

**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, 2012**

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, 2012**

UNINCORPORATED COUNTY PROJECTS (30% of Total Tax Proceeds - Less Cities' Sponsored Projects)	Original Cost Estimate	Revised Cost Estimate	Prior Years' Expenditures	Current Year's Expenditures	Total Amount Expended
Intersections	\$ 2,450,000	\$ 2,450,000	\$ 695,481	\$ 178,782	\$ 874,263
Roadways	14,330,767	14,330,767	12,411,249	-	12,411,249
Total Unincorporated County Projects	<u>\$ 16,780,767</u>	<u>\$ 16,780,767</u>	<u>\$ 13,106,730</u>	<u>\$ 178,782</u>	<u>\$ 13,285,512</u>
COUNTY-WIDE PROJECTS (70% of Total Tax Proceeds)					
Bridges	\$ 3,670,000	\$ 3,670,000	\$ 453,666	\$ 307,462	\$ 761,128
Intersections	3,657,400	3,657,400	1,488,068	32,590	1,520,658
Roadways	67,975,787	67,975,787	14,671,863	4,492,067	19,163,930
Streetscapes / Paths	5,796,900	5,796,900	729,777	43,520	773,297
Total County-Wide Projects	<u>\$ 81,100,087</u>	<u>\$ 81,100,087</u>	<u>\$ 17,343,374</u>	<u>\$ 4,875,639</u>	<u>\$ 22,219,013</u>
Total All Projects	<u>\$ 97,880,854</u>	<u>\$ 97,880,854</u>	<u>\$ 30,450,104</u>	<u>\$ 5,054,421</u>	<u>\$ 35,504,525</u>

**Fayette County, Georgia**  
**Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)**  
**Library Construction and Services Purposes**  
**For the Fiscal Year Ended June 30, 2012**

On November 3, 1992, 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 library services in the County. As part of the referendum process, the projects and services to be funded called for the purchase of land for and construction of a new library in Fayetteville, the expansion of the book inventory and materials collection for the new library in future periods, and supplemental funding for the services and programs provided by the library located in the City of Peachtree City.

The tax, which had a maximum collection period of nine-months, began on April 1, 1993 and continued through December 31, 1993. In total, \$5,232,592 was collected in SPLOST revenues for this purpose. As part of the funding plan, the tax revenues generated from the SPLOST was to be supplemented by a construction grant from the State of Georgia.

On January 13, 1997, the new library facility officially opened its doors. The brick facility originally contained approximately 28,000 total square feet of space and is located adjacent to the Stonewall Village Administrative Complex. Under its new roof, one would have found more than 12,200 square feet allocated solely to resource materials, another 4,650 square feet of seating area, and 1,850 square feet designated for staff work space. In recent years, an addition was constructed to provide more meeting room space.

The County was fortunate enough to be able to construct the library and the subsequent addition for less than the original budgeted amount. These savings in addition to the interest income earned over the years have provided sufficient financial resources to augment library services over a greater time period than originally anticipated.

Fayette County, Georgia  
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)  
Library Construction and Services Purposes  
For the Fiscal Year Ended June 30, 2012

	Original Cost	Revised Cost	Prior Years'	Current Year's	Total Amount
<u>Library Construction and Services</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expended</u>
Library Books and Materials	\$ 1,500,000	\$ 1,500,000	\$ 2,205,219	\$ -	\$ 2,205,219
Library Construction	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,139,369</u>	<u>514,029</u>	<u>3,653,398</u>
Total	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 5,344,588</u>	<u>\$ 514,029</u>	<u>\$ 5,858,617</u>



## 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 level of risk associated with the activities performed by their staff. These assessments are used to pay any 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 pooled risk. 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 pooled risk. 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 depreciation expense of its fleet. However due to recent budgetary constraints, these assessments were not levied during the current fiscal year.

**Fayette County, Georgia**  
**Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2012**

	Self-Insurance Funds				
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	Total
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,079	\$ 97,864	\$ 491,358	\$ 1,412,213	\$ 2,002,514
Cash with Fiscal Agent	-	-	110,174	-	110,174
Investments	-	-	-	3,039,861	3,039,861
Prepaid Items	105,982	-	55,212	-	161,194
Total Current Assets	<u>\$ 107,061</u>	<u>\$ 97,864</u>	<u>\$ 656,744</u>	<u>\$ 4,452,074</u>	<u>\$ 5,313,743</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,350,218	\$ 1,350,218
Unamortized Debt Issuance Costs	-	-	-	177,302	177,302
Capital Assets:					
Machinery, Equipment and Vehicles	-	-	-	14,833,543	14,833,543
Less: Accumulated Depreciation	-	-	-	(11,636,099)	(11,636,099)
Total Noncurrent Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,724,964</u>	<u>\$ 4,724,964</u>
Total Assets	<u>\$ 107,061</u>	<u>\$ 97,864</u>	<u>\$ 656,744</u>	<u>\$ 9,177,038</u>	<u>\$ 10,038,707</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Claims Payable	\$ 28,429	\$ 31,522	\$ 902,759	\$ -	\$ 962,710
Total Current Liabilities	<u>\$ 28,429</u>	<u>\$ 31,522</u>	<u>\$ 902,759</u>	<u>\$ -</u>	<u>\$ 962,710</u>
Noncurrent Liabilities:					
Arbitrage Payable	\$ -	\$ -	\$ -	\$ 904	\$ 904
Certificates of Participation	-	-	-	1,331,000	1,331,000
Total Noncurrent Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,331,904</u>	<u>\$ 1,331,904</u>
Total Liabilities	<u>\$ 28,429</u>	<u>\$ 31,522</u>	<u>\$ 902,759</u>	<u>\$ 1,331,904</u>	<u>\$ 2,294,614</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ 3,197,444	\$ 3,197,444
Restricted For:					
Debt Service	-	-	-	1,349,314	1,349,314
Unrestricted	78,632	66,342	(246,015)	3,298,376	3,197,335
Total Net Assets	<u>\$ 78,632</u>	<u>\$ 66,342</u>	<u>\$ (246,015)</u>	<u>\$ 7,845,134</u>	<u>\$ 7,744,093</u>

**Fayette County, Georgia**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Self-Insurance Funds				
	Workers'	Dental	Major	Vehicle	
	Compensation	And Vision	Medical	Replacement	Total
Operating Revenues:					
Charges for Sales and Services	\$ 165,063	\$ 514,800	\$ 7,257,978	\$ -	\$ 7,937,841
Total Operating Revenues	\$ 165,063	\$ 514,800	\$ 7,257,978	\$ -	\$ 7,937,841
Operating Expenses:					
Costs of Sales and Services	\$ 447,712	\$ 408,354	\$ 7,367,639	\$ -	\$ 8,223,705
Administration	22,390	41,008	212,130	-	275,528
Depreciation	-	-	-	926,418	926,418
Total Operating Expenses	\$ 470,102	\$ 449,362	\$ 7,579,769	\$ 926,418	\$ 9,425,651
Operating Income	\$ (305,039)	\$ 65,438	\$ (321,791)	\$ (926,418)	\$ (1,487,810)
Nonoperating Revenues (Expenses):					
Interest Income	\$ 17	\$ -	\$ 28	\$ 628,014	\$ 628,059
Interest Expense	-	-	-	(73,897)	(73,897)
Loss on Disposal of Capital Assets	-	-	-	(12,937)	(12,937)
Other Expenses	-	-	-	(11,082)	(11,082)
Net Nonoperating Revenues					
(Expenses)	\$ 17	\$ -	\$ 28	\$ 530,098	\$ 530,143
Change in Net Assets	\$ (305,022)	\$ 65,438	\$ (321,763)	\$ (396,320)	\$ (957,667)
Total Net Assets - Beginning	383,654	904	75,748	8,241,454	8,701,760
Total Net Assets - Ending	\$ 78,632	\$ 66,342	\$ (246,015)	\$ 7,845,134	\$ 7,744,093

**Fayette County, Georgia**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Self-Insurance Funds				
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts From Customers and Users	\$ 12,925	\$ 142,850	\$ 1,823,891	\$ -	\$ 1,979,666
Payments To Suppliers	(508,257)	(445,926)	(7,476,415)	-	(8,430,598)
Receipts From Interfund Services Provided	160,000	371,950	5,933,503	-	6,465,453
Net Cash Provided (Used) By Operating Activities	<u>\$ (335,332)</u>	<u>\$ 68,874</u>	<u>\$ 280,979</u>	<u>\$ -</u>	<u>\$ 14,521</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of Capital Assets	\$ -	\$ -	\$ -	\$ (416,090)	\$ (416,090)
Redemption of Certificates of Participation	-	-	-	(1,889,000)	(1,889,000)
Interest Paid on Certificates of Participation	-	-	-	(73,897)	(73,897)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,378,987)</u>	<u>\$ (2,378,987)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest Received	\$ 45	\$ -	\$ 28	\$ 629,170	\$ 629,243
Purchase of Investments	-	-	-	(22,136)	(22,136)
Net Cash Provided By Investing Activities	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 607,034</u>	<u>\$ 607,107</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (335,287)	\$ 68,874	\$ 281,007	\$ (1,771,953)	\$ (1,757,359)
Cash and Cash Equivalents at Beginning of Year	<u>336,366</u>	<u>28,990</u>	<u>320,525</u>	<u>4,534,385</u>	<u>5,220,266</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,079</u>	<u>\$ 97,864</u>	<u>\$ 601,532</u>	<u>\$ 2,762,432</u>	<u>\$ 3,462,907</u>
<b>Reconciliation of Operating Income (Loss) To Net Cash Flows Provided (Used) By Operating Activities:</b>					
Operating Income (Loss)	<u>\$ (305,039)</u>	<u>\$ 65,438</u>	<u>\$ (321,791)</u>	<u>\$ (926,418)</u>	<u>\$ (1,487,810)</u>
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:					
Depreciation Expense	\$ -	\$ -	\$ -	\$ 926,418	\$ 926,418
Decrease (Increase) in Assets:					
Accounts Receivable	7,862	-	499,416	-	507,278
Prepaid Items	(13,805)	-	(55,211)	-	(69,016)
Increase (Decrease) in Liabilities:					
Accounts Payable	(190)	-	(10,540)	-	(10,730)
Claims Payable	(24,160)	3,436	169,105	-	148,381
Total Adjustments	<u>\$ (30,293)</u>	<u>\$ 3,436</u>	<u>\$ 602,770</u>	<u>\$ 926,418</u>	<u>\$ 1,502,331</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (335,332)</u>	<u>\$ 68,874</u>	<u>\$ 280,979</u>	<u>\$ -</u>	<u>\$ 14,521</u>



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## **FIDUCIARY FUNDS**

**Fayette County, Georgia**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<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	\$ 172,948	\$ 154,414,194	\$ 153,983,310	\$ 603,832
Taxes Receivable	<u>8,410,678</u>	<u>4,538,124</u>	<u>8,410,678</u>	<u>4,538,124</u>
Total Assets	<u>\$ 8,583,626</u>	<u>\$ 158,952,318</u>	<u>\$ 162,393,988</u>	<u>\$ 5,141,956</u>
Liabilities:				
Due to Others	\$ 8,461,021	\$ 158,886,765	\$ 162,393,988	\$ 4,953,798
Tax Protest / Bankruptcy / Tax Sale	<u>122,605</u>	<u>65,553</u>	<u>-</u>	<u>188,158</u>
Total Liabilities	<u>\$ 8,583,626</u>	<u>\$ 158,952,318</u>	<u>\$ 162,393,988</u>	<u>\$ 5,141,956</u>
 <b>SHERIFF'S OFFICE</b>				
Assets:				
Cash and Cash Equivalents	<u>\$ 151,826</u>	<u>\$ 648,990</u>	<u>\$ 721,584</u>	<u>\$ 79,232</u>
Liabilities:				
Due to Others	<u>\$ 151,826</u>	<u>\$ 648,990</u>	<u>\$ 721,584</u>	<u>\$ 79,232</u>
 <b>SUPERIOR COURT</b>				
Assets:				
Cash and Cash Equivalents	<u>\$ 974,603</u>	<u>\$ 5,020,387</u>	<u>\$ 4,895,262</u>	<u>\$ 1,099,728</u>
Liabilities:				
Due to Others	<u>\$ 974,603</u>	<u>\$ 5,020,387</u>	<u>\$ 4,895,262</u>	<u>\$ 1,099,728</u>
 <b>STATE COURT</b>				
Assets:				
Cash and Cash Equivalents	<u>\$ 419,308</u>	<u>\$ 1,965,944</u>	<u>\$ 2,010,242</u>	<u>\$ 375,010</u>
Liabilities:				
Due to Others	<u>\$ 419,308</u>	<u>\$ 1,965,944</u>	<u>\$ 2,010,242</u>	<u>\$ 375,010</u>



**Fayette County, Georgia**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<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	\$ 67,458	\$ 678,545	\$ 671,196	\$ 74,807
Liabilities:				
Due to Others	\$ 67,458	\$ 678,545	\$ 671,196	\$ 74,807
<b>JUVENILE COURT</b>				
Assets:				
Cash and Cash Equivalents	\$ 10,254	\$ 112,971	\$ 118,139	\$ 5,086
Liabilities:				
Due to Others	\$ 10,254	\$ 112,971	\$ 118,139	\$ 5,086
<b>PROBATE COURT</b>				
Assets:				
Cash and Cash Equivalents	\$ 32,486	\$ 453,863	\$ 455,906	\$ 30,443
Liabilities:				
Due to Others	\$ 32,486	\$ 453,863	\$ 455,906	\$ 30,443
<b>TOTAL - ALL AGENCY FUNDS</b>				
Assets:				
Cash and Cash Equivalents	\$ 1,828,883	\$ 163,294,894	\$ 162,855,639	\$ 2,268,138
Taxes Receivable	8,410,678	4,538,124	8,410,678	4,538,124
Total Assets	<u>\$ 10,239,561</u>	<u>\$ 167,833,018</u>	<u>\$ 171,266,317</u>	<u>\$ 6,806,262</u>
Liabilities:				
Due to Others	\$ 10,116,956	\$ 167,767,465	\$ 171,266,317	\$ 6,618,104
Tax Protest / Bankruptcy / Tax Sale	122,605	65,553	-	188,158
Total Liabilities	<u>\$ 10,239,561</u>	<u>\$ 167,833,018</u>	<u>\$ 171,266,317</u>	<u>\$ 6,806,262</u>



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## 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.

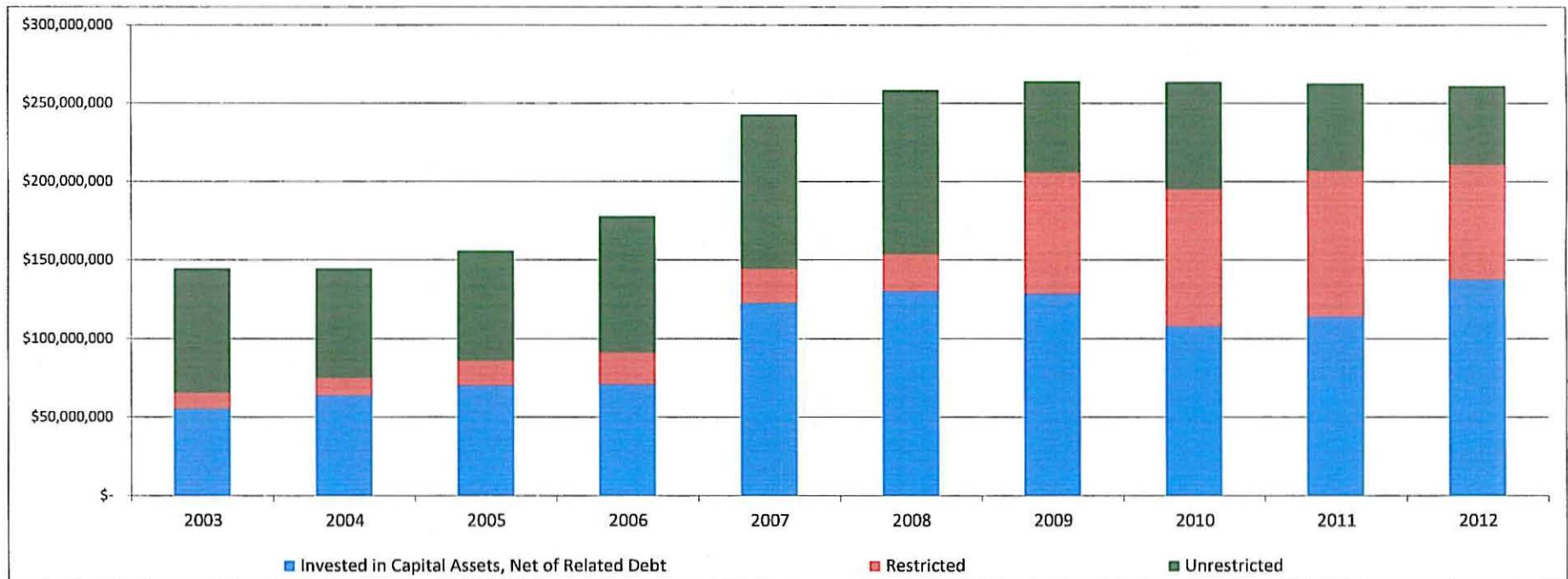
<b><u>Section Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends:</i></b> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	131
<b><i>Revenue Capacity:</i></b> These schedules contain information 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.	137
<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.	141
<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.	145
<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.	147

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 Assets By Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 346,856	\$ 8,402,602	\$ 12,626,621	\$ 11,881,854	\$ 61,331,911	\$ 66,118,115	\$ 63,748,577	\$ 58,397,470	\$ 70,008,446	\$ 75,722,034
Restricted	1,463,122	1,291,320	4,643,916	9,369,988	9,206,066	11,656,300	71,244,000	74,438,174	78,946,616	59,847,388
Unrestricted	74,027,281	65,245,850	66,600,723	82,196,989	94,252,175	101,662,007	49,992,711	51,871,452	34,001,574	46,009,682
<b>Total Governmental Activities Net Assets</b>	<b>\$ 75,837,259</b>	<b>\$ 74,939,772</b>	<b>\$ 83,871,260</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>\$ 181,579,104</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 55,043,365	\$ 55,537,244	\$ 57,616,988	\$ 58,928,256	\$ 61,128,008	\$ 64,042,796	\$ 64,569,214	\$ 49,359,571	\$ 43,836,827	\$ 61,628,316
Restricted	8,844,631	9,817,295	11,095,278	11,073,367	12,661,526	12,010,175	6,284,372	12,918,243	14,127,960	13,655,049
Unrestricted	4,874,309	4,272,575	3,329,148	4,355,880	4,172,974	2,872,031	8,304,049	16,880,892	21,845,727	4,165,159
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 68,762,305</b>	<b>\$ 69,627,114</b>	<b>\$ 72,041,414</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>Primary Government</b>										
Invested in Capital Assets, Net of Related Debt	\$ 55,390,221	\$ 63,939,846	\$ 70,243,609	\$ 70,810,110	\$ 122,459,919	\$ 130,160,911	\$ 128,317,791	\$ 107,757,041	\$ 113,845,273	\$ 137,350,350
Restricted	10,307,753	11,108,615	15,739,194	20,443,355	21,867,592	23,666,475	77,528,372	87,356,417	93,074,576	73,502,437
Unrestricted	78,901,590	69,518,425	69,929,871	86,552,869	98,425,149	104,534,038	58,296,760	68,752,344	55,847,301	50,174,841
<b>Total Primary Government Net Assets</b>	<b>\$ 144,599,564</b>	<b>\$ 144,566,886</b>	<b>\$ 155,912,674</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>\$ 261,027,628</b>

**Total Primary Government Net Assets**



Note: The large increase in FY 2007 for Governmental Activities was the result of recognizing \$55,574,352 in Infrastructure Assets purchased or completed prior to June 30, 2002 as part of implementing GASB 34.

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

Expenses:	For the Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities:</b>										
General Government	\$ 13,082,785	\$ 15,045,408	\$ 8,734,408	\$ 13,589,479	\$ 13,217,872	\$ 19,913,322	\$ 15,816,215	\$ 17,477,463	\$ 13,911,254	\$ 13,747,299
Judicial System	3,878,507	8,727,224	4,336,761	4,677,929	5,401,526	5,650,814	5,800,998	5,607,459	5,150,662	5,570,703
Public Safety	23,806,488	21,690,558	25,422,795	29,331,567	31,310,184	31,978,900	34,914,755	33,801,423	34,914,150	35,486,701
Public Works	5,037,712	5,228,876	4,611,615	5,433,833	15,643,667	7,673,140	13,866,560	13,183,402	10,040,669	5,109,741
Health and Welfare	641,558	598,801	819,266	689,879	705,001	719,934	726,382	695,438	761,169	765,345
Culture and Recreation	1,728,369	2,006,950	1,774,572	1,871,303	7,418,659	1,058,911	2,208,201	2,869,310	2,511,883	2,563,090
Housing and Development	1,501,851	1,463,997	1,435,272	1,460,636	1,555,478	1,392,864	1,418,307	1,260,287	1,277,307	1,408,138
Interest on Long-Term Debt	3,301,823	4,231,058	3,152,414	3,156,175	3,043,276	3,375,326	2,717,850	2,785,637	2,182,282	2,102,925
<b>Total Governmental Activities Expenses</b>	<b>\$ 52,979,093</b>	<b>\$ 58,992,872</b>	<b>\$ 50,287,103</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>Business-Type Activities</b>										
Water System	\$ 12,101,616	\$ 12,358,203	\$ 12,411,434	\$ 12,394,341	\$ 13,036,293	\$ 12,635,303	\$ 12,890,913	\$ 13,083,162	\$ 13,336,098	\$ 14,432,774
Solid Waste	158,423	147,731	149,197	121,420	138,082	160,688	165,620	162,341	163,806	333,225
Stormwater Utility	-	-	-	-	-	-	-	-	-	187,116
<b>Total Business-Type Activities</b>	<b>\$ 12,260,039</b>	<b>\$ 12,505,934</b>	<b>\$ 12,560,631</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>Total Primary Government Expenses</b>	<b>\$ 65,239,132</b>	<b>\$ 71,498,806</b>	<b>\$ 62,847,734</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>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$ 597,872	\$ 651,272	\$ 1,296,466	\$ 521,225	\$ 940,273	\$ 1,424,473	\$ 1,090,531	\$ 1,614,489	\$ 4,185,268	\$ 423,656
Judicial System	2,878,715	2,502,618	2,584,575	2,597,880	2,362,746	2,401,949	2,607,184	2,474,750	2,695,620	2,442,258
Public Safety	3,317,936	4,043,766	4,162,141	5,267,301	5,233,571	4,352,712	7,222,617	5,139,419	6,693,329	4,642,449
Public Works	-	-	413,361	438,362	10,076	8,001	5,928	7,170	7,175	7,576
Culture and Recreation	151,825	201,582	218,950	189,840	186,265	222,459	211,795	240,786	278,526	240,857
Housing and Development	28,870	51,983	582,363	665,972	672,849	60,755	20,910	10,861	210,985	196,713
Operating Grants and Contributions	34,616	129,527	85,068	808,590	5,600	20,582	23,148	31,935	27,767	947,402
Capital Grants and Contributions	-	-	-	-	-	-	-	-	204,367	598,070
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 7,009,834</b>	<b>\$ 7,580,748</b>	<b>\$ 9,342,924</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>Business-Type Activities:</b>										
Charges for Services:										
Water System	\$ 11,046,078	\$ 11,490,276	\$ 11,562,729	\$ 12,430,665	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866
Solid Waste	158,097	141,480	128,705	141,413	361,200	85,380	109,122	120,708	140,382	132,095
Stormwater Utility	-	-	-	-	-	-	-	-	-	300,333
Capital Grants and Contributions	2,263,633	1,515,916	2,729,684	2,262,050	2,708,273	1,294,879	1,096,917	418,363	379,232	116,920
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 13,467,808</b>	<b>\$ 13,147,672</b>	<b>\$ 14,421,118</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>Total Primary Government Program Revenues</b>	<b>\$ 20,477,642</b>	<b>\$ 20,728,420</b>	<b>\$ 23,764,042</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>Net (Expenses) Revenues</b>										
Governmental Activities	\$(45,969,259)	\$(51,412,124)	\$(40,944,179)	\$(49,721,631)	\$(68,884,283)	\$(63,272,280)	\$(66,287,155)	\$(68,161,009)	\$(56,446,339)	\$(57,254,961)
Business-Type Activities	1,207,769	641,738	1,860,487	2,318,367	3,438,087	869,796	640,813	637,822	1,308,777	167,099
<b>Total Primary Government Net Expenses</b>	<b>\$(44,761,490)</b>	<b>\$(50,770,386)</b>	<b>\$(39,083,692)</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>

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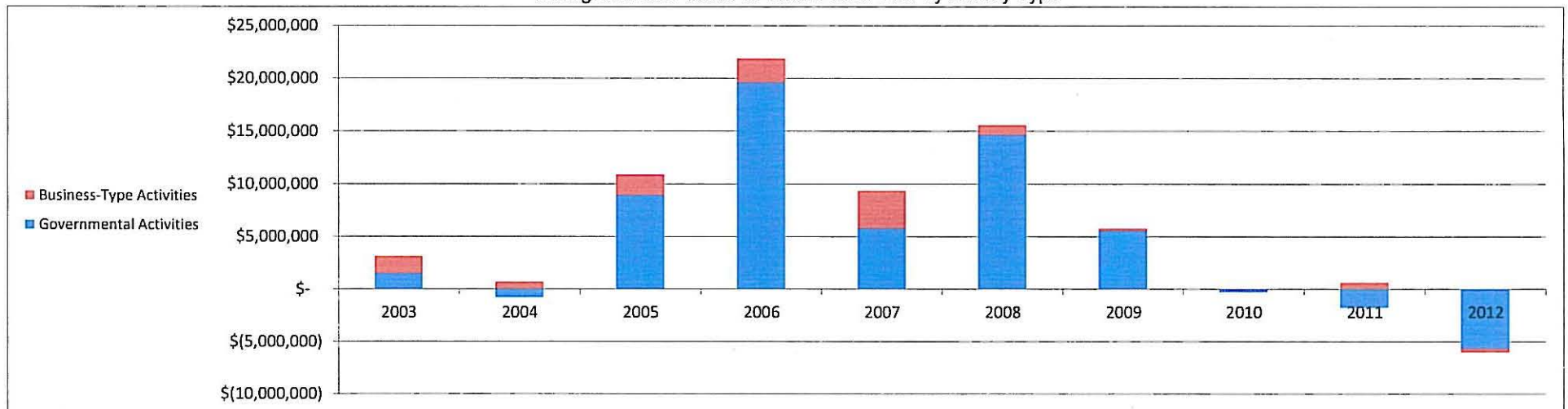


	For the Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 24,338,916	\$ 32,538,816	\$ 30,178,341	\$ 32,103,630	\$ 33,238,968	\$ 37,601,739	\$ 37,627,125	\$ 39,052,755	\$ 37,981,404	\$ 36,089,255
Sales Taxes	7,889,458	8,737,301	9,092,061	10,296,451	10,654,218	10,313,833	8,990,109	9,635,056	9,572,548	10,011,105
Other Taxes	9,685,832	2,915,465	2,495,302	2,874,588	2,966,242	960,291	1,041,225	1,224,064	1,311,971	3,247,599
Special Purpose Local Option Sales Taxes	-	-	3,242,853	16,676,100	17,711,729	20,462,347	15,103,230	12,254,894	160,567	-
Licenses and Permits	405,163	535,467	-	-	-	-	-	-	-	-
Intergovernmental	3,590,403	4,226,291	1,324,636	2,880,454	3,146,118	2,883,703	5,957,783	3,654,944	1,580,095	-
Gain on Sale of Capital Assets	60,867	26,103	86,466	20,511	61,996	132,620	59,595	61,790	16,329	-
Unrestricted Investment Earnings	907,363	749,668	1,916,256	3,194,159	5,186,857	4,149,265	1,424,672	764,894	391,771	905,075
Miscellaneous	611,946	905,114	982,332	663,405	1,077,945	817,812	1,004,306	520,363	2,975,137	834,182
Transfers	-	-	557,420	589,904	607,179	596,940	627,976	714,057	706,057	539,650
<b>Total Governmental Activities</b>	<b>\$ 47,489,948</b>	<b>\$ 50,634,225</b>	<b>\$ 49,875,667</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>
Business-Type Activities:										
Gain on Sale of Capital Assets	\$ 105,840	\$ 15,000	\$ 700	\$ 12,582	\$ -	\$ 6,192	\$ 2,605	\$ 3,707	\$ -	\$ -
Unrestricted Investment Earnings	198,300	88,478	253,588	550,275	747,261	572,483	130,550	30,456	5,552	10,561
Miscellaneous	147,503	5	428,093	24,769	26,836	110,963	86,641	43,144	43,536	-
Transfers	-	-	(557,420)	(589,904)	(607,179)	(596,940)	(627,976)	(714,057)	(706,057)	(539,650)
<b>Total Business-Type Activities</b>	<b>\$ 451,643</b>	<b>\$ 103,483</b>	<b>\$ 124,961</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>Total Primary Government</b>	<b>\$ 47,941,591</b>	<b>\$ 50,737,708</b>	<b>\$ 50,000,628</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>Changes in Net Assets</b>										
Governmental Activities	\$ 1,520,689	\$ (777,899)	\$ 8,931,488	\$ 19,577,571	\$ 5,766,969	\$ 14,646,270	\$ 5,548,866	\$ (278,192)	\$ (1,750,460)	\$ (5,628,095)
Business-Type Activities	1,659,412	745,221	1,985,448	2,316,089	3,605,005	962,494	232,633	1,072	651,808	(361,990)
<b>Total Primary Government</b>	<b>\$ 3,180,101</b>	<b>\$ (32,678)</b>	<b>\$ 10,916,936</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>
				(1)			(2)	(2)	(2)	(2)

Note (1): Net Assets 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 Assets for these fiscal year was impacted by the recession that began in 2008.

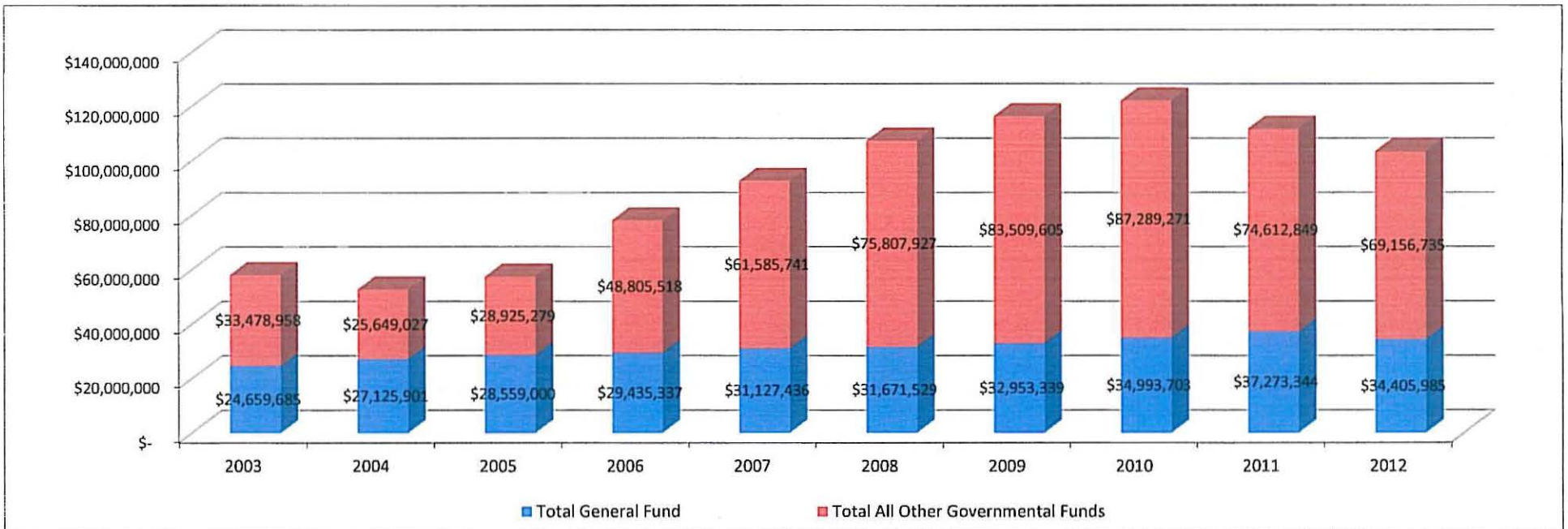
Changes in Net Assets for Each Fiscal Year by Activity Type



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

Fiscal Year Ended June 30

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund:</b>										
Nonspendable	\$ 61,348	\$ 36,069	\$ 163,353	\$ 122,625	\$ 377,156	\$ 88,642	\$ 987,514	\$ 205,194	\$ 260,351	\$ 246,522
Committed	2,120,238	2,031,035	13,935,199	14,402,177	15,385,577	14,057,471	13,661,922	13,365,551	13,633,544	11,300,171
Assigned	3,294,319	4,163,185	12,676,231	12,522,153	15,364,703	17,525,416	13,045,947	13,974,440	11,175,508	16,817,110
Unassigned	19,183,780	20,895,612	1,784,217	2,388,382	-	-	5,257,956	7,448,518	12,203,941	6,042,182
<b>Total General Fund</b>	<b>\$ 24,659,685</b>	<b>\$ 27,125,901</b>	<b>\$28,559,000</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>All Other Governmental Funds:</b>										
Nonspendable	\$ -	\$ -	\$ 6,619	\$ -	\$ -	\$ 704	\$ 48,251	\$ 55,465	\$ 33,326	\$ 27,868
Restricted	1,985,569	2,270,675	4,806,227	21,316,199	37,088,062	51,116,478	58,828,786	63,055,225	65,576,980	59,062,139
Committed	5,534,297	796,497	1,660,429	1,612,077	10,734	2,363,877	2,651,440	2,618,608	9,002,543	10,066,728
Assigned	25,959,092	22,581,855	22,452,004	25,877,242	24,486,945	22,326,868	21,981,128	21,559,973	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 33,478,958</b>	<b>\$ 25,649,027</b>	<b>\$28,925,279</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>Total Governmental Funds</b>	<b>\$ 58,138,643</b>	<b>\$ 52,774,928</b>	<b>\$57,484,279</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>



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

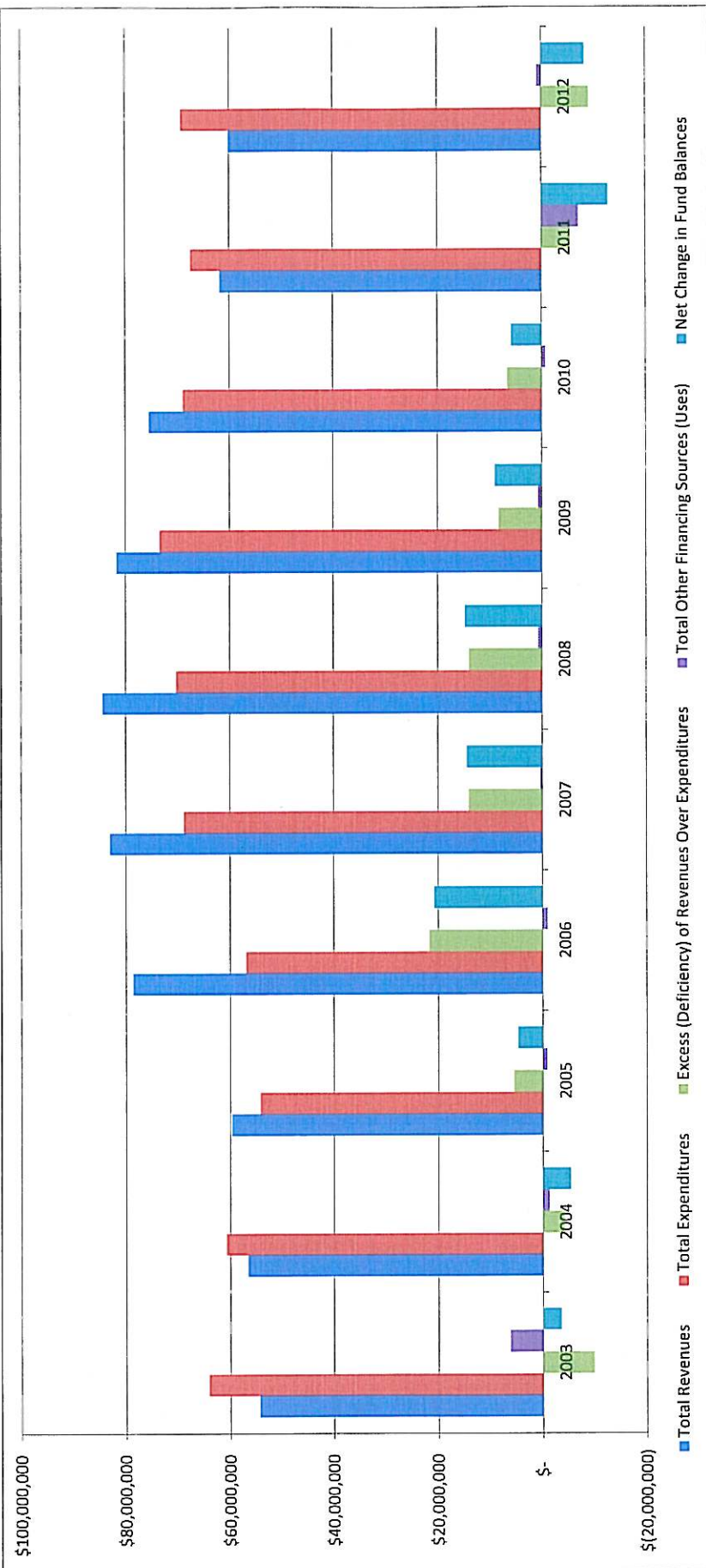
	Fiscal Year Ending June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Taxes	\$ 41,028,475	\$ 43,529,775	\$ 45,085,843	\$ 62,441,421	\$ 65,113,592	\$ 68,867,738	\$ 62,761,689	\$ 62,166,769	\$ 48,092,665	\$ 49,791,543
Licenses and Permits	405,163	535,467	745,967	841,083	856,102	698,374	414,314	424,201	451,172	215,512
Intergovernmental	3,590,403	4,226,290	4,677,370	2,880,454	3,398,318	2,883,703	5,957,783	3,654,944	1,580,095	1,409,544
Charges for Services	4,686,386	4,847,003	4,727,117	5,070,445	5,192,711	4,729,453	5,134,297	5,142,649	5,570,018	5,488,362
Fines and Forfeitures	2,096,707	2,303,760	2,193,837	3,239,194	3,124,534	2,757,345	5,293,648	3,142,726	4,461,473	2,273,165
Investment Income	2,081,945	592,460	1,222,210	2,697,022	4,452,242	3,688,800	1,236,042	334,924	510,585	468,787
Contributions	34,616	9,939	39,875	808,590	896,329	20,582	23,148	520,363	1,138,077	17,715
Miscellaneous	446,196	546,676	990,392	658,057	5,600	733,744	912,629	31,935	27,767	499,541
<b>Total Revenues</b>	<b>\$ 54,369,891</b>	<b>\$ 56,591,370</b>	<b>\$ 59,682,611</b>	<b>\$ 78,636,266</b>	<b>\$ 83,039,428</b>	<b>\$ 84,379,739</b>	<b>\$ 81,733,550</b>	<b>\$ 75,418,511</b>	<b>\$ 61,831,852</b>	<b>\$ 60,164,169</b>
<b>Expenditures:</b>										
General Government	\$ 6,962,277	\$ 7,433,934	\$ 7,754,982	\$ 7,942,522	\$ 8,037,744	\$ 8,165,598	\$ 8,424,786	\$ 7,689,333	\$ 8,038,927	\$ 8,624,978
Judicial System	3,779,507	4,020,094	4,290,835	4,619,714	5,370,540	5,674,771	5,808,638	5,552,734	5,632,112	5,483,839
Public Safety	22,709,542	24,002,693	24,832,261	26,516,676	29,628,121	30,946,091	32,824,740	31,436,915	32,862,460	35,178,886
Public Works	4,800,697	4,828,440	4,599,815	5,187,982	4,781,461	4,657,639	4,000,116	3,631,377	5,356,961	4,648,297
Health and Welfare	641,558	637,974	819,266	689,879	705,001	719,934	726,382	695,438	761,169	759,057
Culture and Recreation	1,532,083	1,751,545	1,551,419	1,768,694	1,902,937	2,070,906	2,146,860	1,980,568	1,917,872	2,019,104
Housing and Development	1,489,063	1,460,306	1,442,581	1,438,092	1,552,728	1,429,689	1,405,259	1,242,377	1,268,371	1,317,126
Capital Outlay	18,378,722	11,768,883	4,025,852	3,903,023	12,090,140	8,654,396	10,278,522	9,622,634	9,399,329	7,461,104
Intergovernmental	-	-	-	-	-	3,174,938	2,975,587	2,183,858	23,752	-
Debt Service:										
Principal Retirement	1,010,000	1,676,902	1,758,656	1,849,800	1,937,428	2,031,612	2,132,423	2,239,941	864,247	1,855,425
Interest Expense	2,831,957	3,156,311	3,074,266	2,989,997	2,899,990	2,804,831	2,704,186	2,597,403	1,306,503	1,968,539
Paying Agent Fees	-	1,175	1,175	2,225	1,671	1,546	1,436	1,364	450	-
<b>Total Expenditures</b>	<b>\$ 64,135,406</b>	<b>\$ 60,738,257</b>	<b>\$ 54,151,108</b>	<b>\$ 56,908,604</b>	<b>\$ 68,907,761</b>	<b>\$ 70,331,951</b>	<b>\$ 73,428,935</b>	<b>\$ 68,873,942</b>	<b>\$ 67,432,153</b>	<b>\$ 69,316,355</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (9,765,515)</b>	<b>\$ (4,146,887)</b>	<b>\$ 5,531,503</b>	<b>\$ 21,727,662</b>	<b>\$ 14,131,667</b>	<b>\$ 14,047,788</b>	<b>\$ 8,304,615</b>	<b>\$ 6,544,569</b>	<b>\$ (5,600,301)</b>	<b>\$ (9,152,186)</b>
<b>Other Financing Sources (Uses):</b>										
Proceeds from Capital Lease	\$ 7,760,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	3,579,658	2,491,003	5,036,640	6,887,887	6,873,563	11,857,799	7,989,541	5,872,157	4,781,077	5,108,105
Transfers Out	(5,119,771)	(3,731,835)	(5,945,258)	(7,879,484)	(6,594,904)	(11,271,927)	(7,370,264)	(6,658,486)	(4,148,943)	(4,568,455)
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	60,867	24,004	86,466	20,511	61,996	132,620	59,595	61,790	16,329	289,063
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 6,280,754</b>	<b>\$ (1,216,828)</b>	<b>\$ (822,152)</b>	<b>\$ (971,086)</b>	<b>\$ 340,655</b>	<b>\$ 718,492</b>	<b>\$ 678,872</b>	<b>\$ (724,539)</b>	<b>\$ (7,179,225)</b>	<b>\$ 828,713</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,484,761)</b>	<b>\$ (5,363,715)</b>	<b>\$ 4,709,351</b>	<b>\$ 20,756,576</b>	<b>\$ 14,472,322</b>	<b>\$ 14,766,280</b>	<b>\$ 8,983,487</b>	<b>\$ 5,820,030</b>	<b>\$ (12,779,526)</b>	<b>\$ (8,323,473)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>9.2%</b>	<b>11.0%</b>	<b>10.7%</b>	<b>10.1%</b>	<b>9.3%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>9.3%</b>	<b>3.9%</b>	<b>6.6%</b>

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.



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

	Fiscal Year Ending June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Revenues	\$ 54,369,891	\$ 56,591,370	\$ 59,682,611	\$ 78,636,266	\$ 83,039,428	\$ 84,379,739	\$ 81,733,550	\$ 75,418,511	\$ 61,831,852	\$ 60,164,169
Total Expenditures	64,135,406	60,738,257	54,151,108	56,908,604	68,907,761	70,331,951	73,428,935	68,873,942	67,432,153	69,316,355
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,765,515)	\$ (4,146,887)	\$ 5,531,503	\$ 21,727,662	\$ 14,131,667	\$ 14,047,788	\$ 8,304,615	\$ 6,544,569	\$ (5,600,301)	\$ (9,152,186)
Total Other Financing Sources (Uses)	6,280,754	(1,216,828)	(822,152)	(971,086)	340,655	718,492	678,872	(724,539)	(7,179,225)	828,713
Net Change in Fund Balances	\$ (3,484,761)	\$ (5,363,715)	\$ 4,709,351	\$ 20,756,576	\$ 14,472,322	\$ 14,766,280	\$ 8,983,487	\$ 5,820,030	\$ (12,779,526)	\$ (8,323,473)

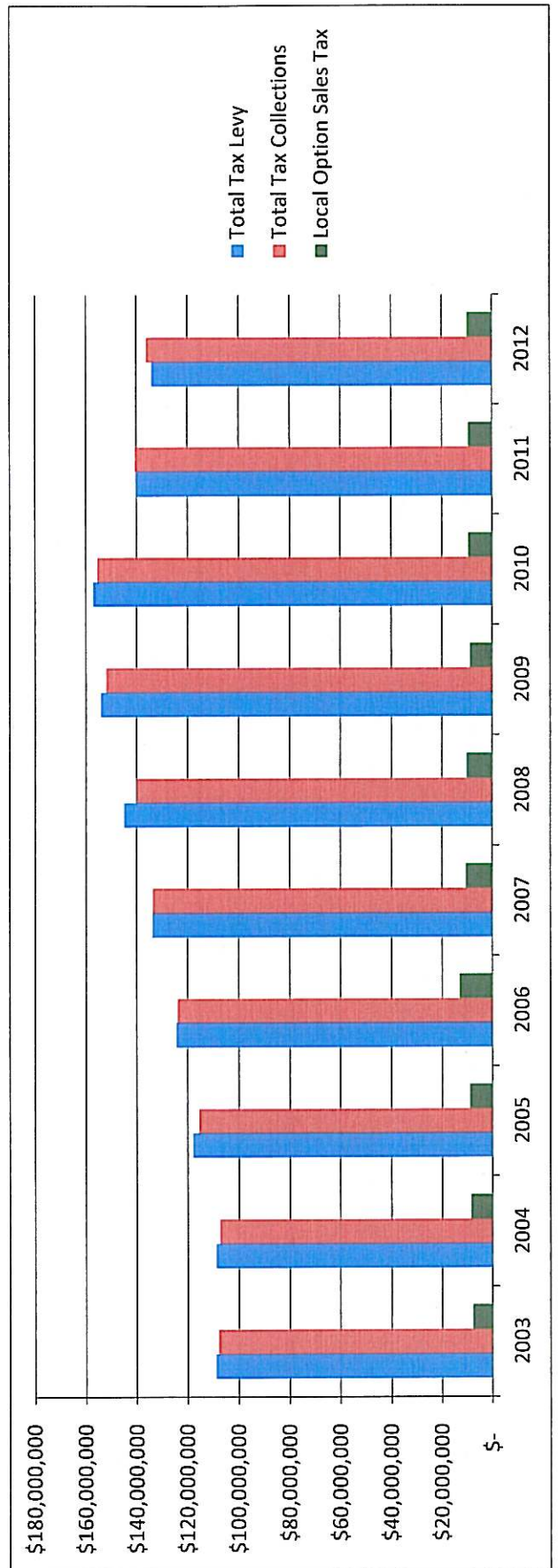


Note: The large increase in Net Assets for FY 2006 and large decrease in FY 2011 are primarily the result of the Special Purpose Local Option Sales collections and expenditures.

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

Levy Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Collection of Prior Years		Total Tax Collection	Ratio of		Outstanding Delinquent Taxes	Ratio of	
				Property Taxes			Total Tax Collections to Total Tax Levy	Delinquent Taxes to Total Tax Levy		Local Option Sales Tax Proceeds (1)	
2003	\$ 109,017,909	\$ 106,593,238	97.78%	\$ 1,391,020	\$ 107,984,258	109.76%	\$ 3,930,126	3.99%	\$ 7,889,458		
2004	108,827,457	106,001,805	97.40%	1,448,920	107,450,725	98.73%	4,011,248	3.69%	8,737,001		
2005	118,001,735	114,100,400	96.69%	1,557,474	115,657,874	98.01%	3,629,115	3.08%	9,092,061		
2006	124,459,002	121,851,632	97.91%	2,131,166	123,982,798	99.62%	3,727,920	3.00%	13,155,414		
2007	133,958,330	131,657,606	98.28%	2,016,370	133,673,976	99.79%	3,813,117	2.85%	10,654,218		
2008	144,974,057	138,257,418	95.37%	1,568,262	139,825,680	96.45%	3,527,833	2.43%	10,313,833		
2009	154,107,697	149,091,541	96.75%	2,804,678	151,896,219	98.56%	5,131,263	3.33%	8,990,109		
2010	157,080,795	151,371,828	96.37%	4,148,962	155,520,790	99.01%	6,005,110	3.82%	9,635,056		
2011	140,148,922	134,663,746	96.09%	5,881,524	140,545,271	100.28%	1,926,514	1.37%	9,572,548		
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		

(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.



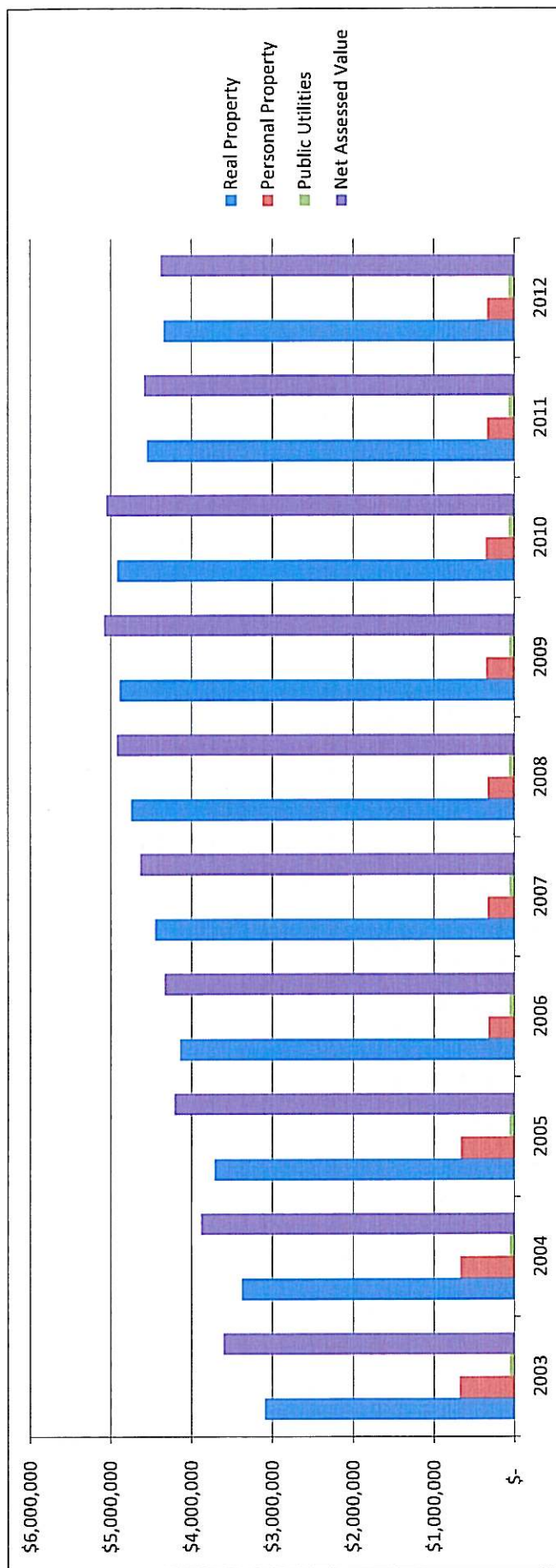


**Fayette County, Georgia**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year	Real Property		Personal Property		Public Utilities		Total Property		Freeport-Homestead Exemption	Net Assessed Value	Total Direct Tax Rate	Ratio of Total Assessed Value to True Value
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value				
2003	\$3,096,054	\$ 7,740,135	\$ 686,184	\$1,715,461	\$ 61,966	\$ 154,916	\$3,844,204	\$9,610,512	\$ 235,677	\$3,608,527	\$ 31.71	40.00%
2004	3,379,741	8,449,353	675,928	1,689,820	62,756	156,890	4,118,425	10,296,063	235,057	3,883,368	\$ 32.20	40.00%
2005	3,714,393	9,285,983	667,973	1,669,933	64,305	160,762	4,446,671	11,116,678	236,660	4,210,011	\$ 31.58	40.00%
2006	4,139,511	10,348,778	322,690	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%

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**



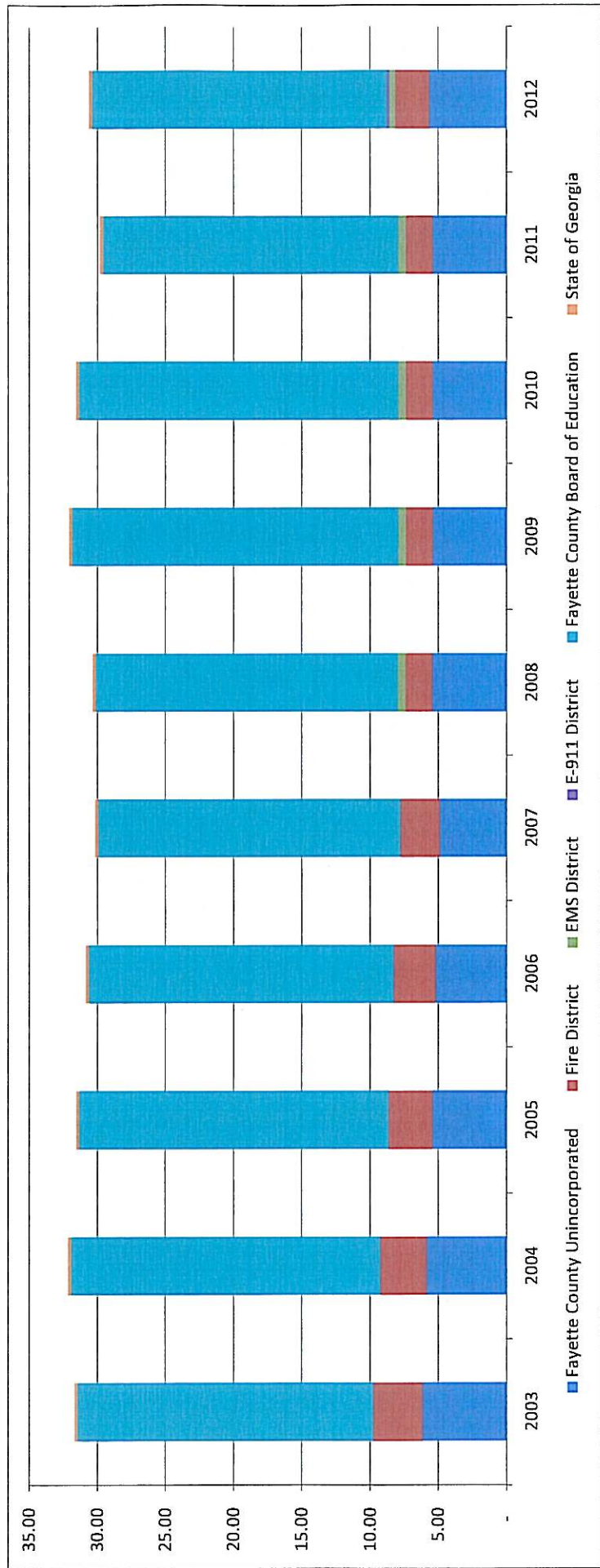


**Fayette County, Georgia**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(millage rate per \$1,000 of assessed value)**

For Fiscal Year Ended June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Primary Government:</b>										
Fayette County Unincorporated	6.19	5.87	5.42	5.19	4.89	5.43	5.40	5.40	5.40	5.65
Fire District	3.58	3.39	3.23	3.09	2.91	2.00	1.99	1.99	1.99	2.50
Emergency Medical Services (EMS) District	-	-	-	-	-	0.55	0.55	0.55	0.55	0.45
E-911 Communications District	-	-	-	-	-	-	-	-	-	0.21
<b>Total Primary Government</b>	<b>9.77</b>	<b>9.26</b>	<b>8.65</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>
Fayette County Board of Education	21.69	22.69	22.68	22.35	22.15	22.15	23.92	23.42	21.65	21.60
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
<b>Total</b>	<b>31.71</b>	<b>32.20</b>	<b>31.58</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>

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.



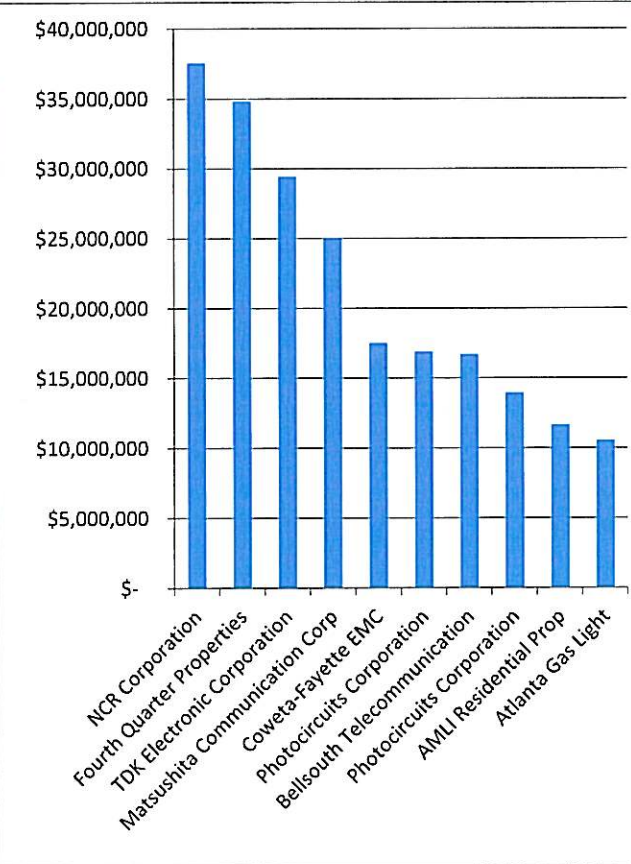
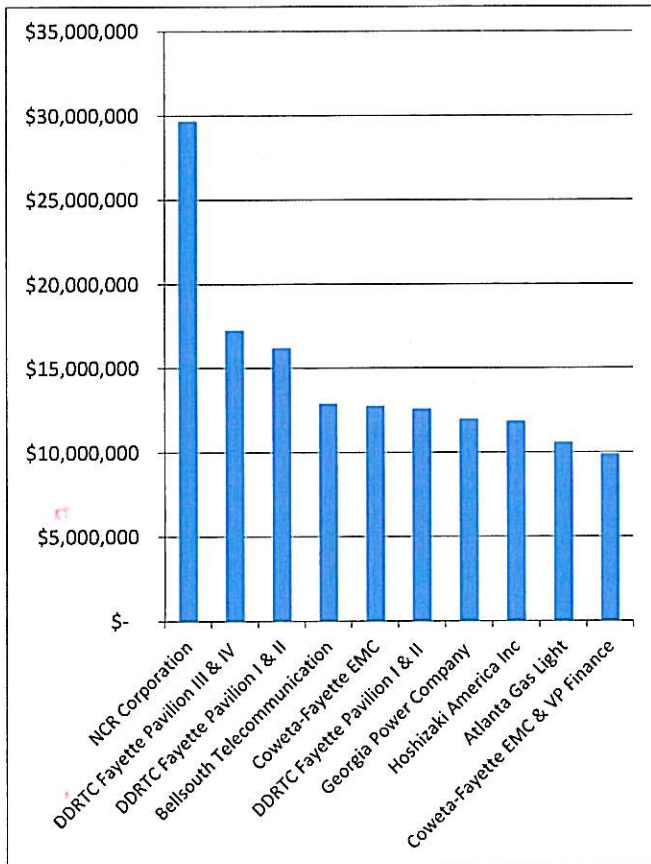
**Fayette County, Georgia**  
**Principal Taxpayers**  
**Current Fiscal Year and Nine Years Ago**

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
NCR Corporation	\$ 29,676,954	1	0.58%	\$ 37,534,080	1	0.98%
(1) DDRTC Fayette Pavilion III & IV	17,259,208	2	0.34%	-		N / A
(1) DDRTC Fayette Pavilion I & II	16,206,880	3	0.32%	-		N / A
Bellsouth Telecommunication	12,889,306	4	0.25%	16,715,301	7	0.43%
Coweta-Fayette EMC	12,767,602	5	0.25%	17,513,240	5	0.46%
(1) DDRTC Fayette Pavilion I & II	12,581,324	6	0.25%	-		N / A
Georgia Power Company	11,968,740	7	0.23%	-		N / A
Hoshizaki America Inc	11,848,407	8	0.23%	-		N / A
Atlanta Gas Light	10,600,002	9	0.21%	10,543,102	10	0.27%
Coweta-Fayette EMC & VP Finance	9,910,542	10	0.19%	-		N / A
(1) Fourth Quarter Properties	-		N / A	34,829,148	2	0.91%
TDK Electronic Corporation	-		N / A	29,415,061	3	0.77%
Matsushita Communication Corp	-		N / A	25,000,086	4	0.65%
(2) Photocircuits Corporation	-		N / A	16,896,662	6	0.44%
Lawson Mardon Packaging Co.	-		N / A	13,957,023	8	0.36%
AMLI Residential Prop	-		N / A	11,661,077	9	0.30%
Sub-Total Top Ten Taxpayers	\$ 145,708,965		2.84%	\$ 214,064,780		5.57%
Total Other Taxpayers	4,980,124,849		97.16%	3,630,139,647		94.43%
Total Assessed Value - All Taxpayers	\$ 5,125,833,814		100.00%	\$ 3,844,204,427		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

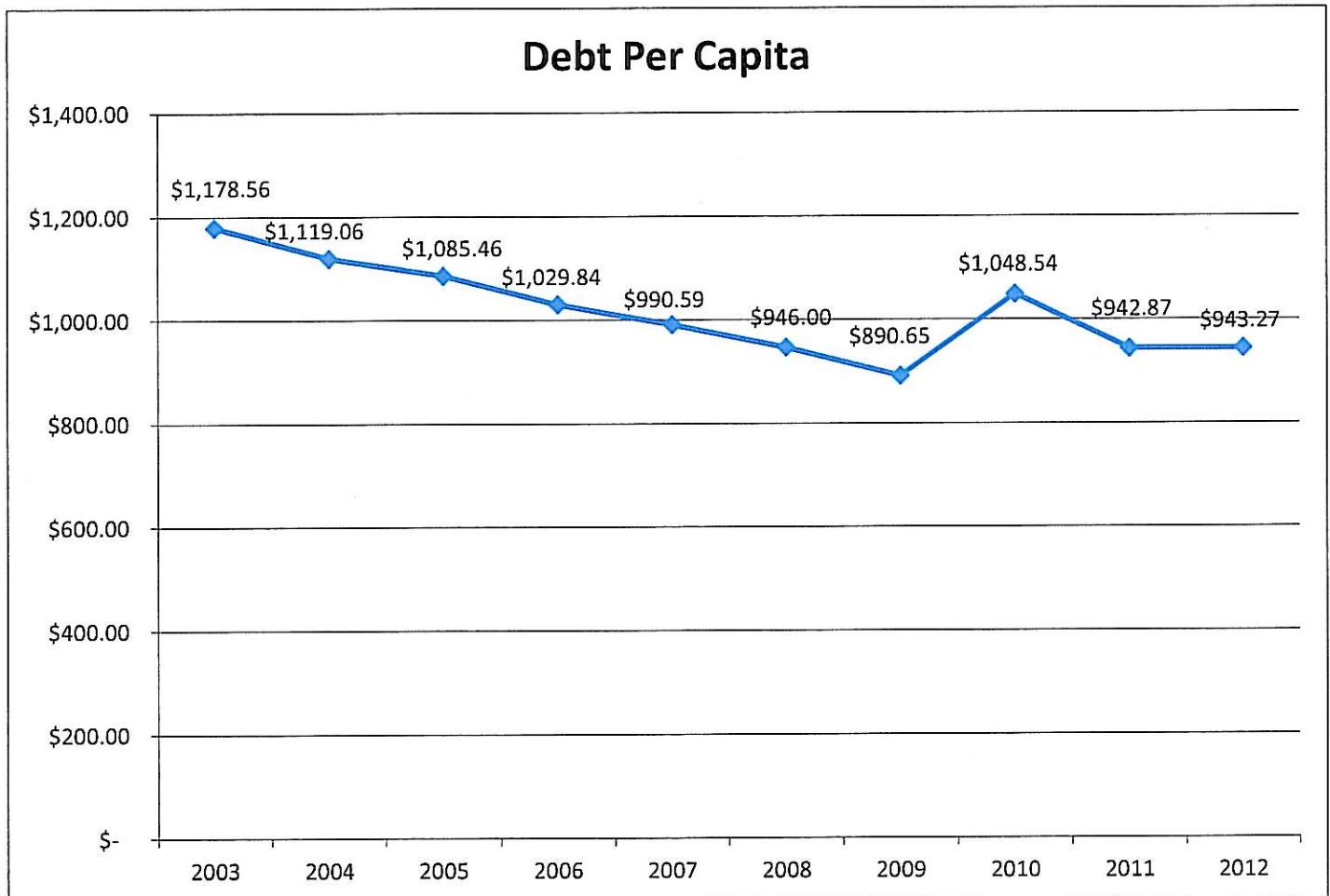
Note (2): Photocircuits Corporation no longer has its plant operations in the County



**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				
2003	\$ 56,580,000	\$ 5,000,000	\$ 7,760,000	\$ 47,145,000		\$ 116,485,000	3.17%	\$1,178.56
2004	55,525,000	5,000,000	7,138,098	45,735,000		113,398,098	2.91%	1,119.06
2005	54,420,000	5,000,000	6,484,442	44,270,000		110,174,442	2.74%	1,085.46
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

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



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, 2012**

<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)	\$ 72,691,588	100%	\$ 72,691,588
Peachtree City (b)	4,830,000	100%	<u>4,830,000</u>
Subtotal for Overlapping Debt			\$ 77,521,588
Fayette County Public Facilities Authority	39,350,000	100%	<u>39,350,000</u>
Total Direct and Overlapping Debt			<u>\$ 116,871,588</u>

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

(b) Data provided by City of Peachtree City Finance Office.

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

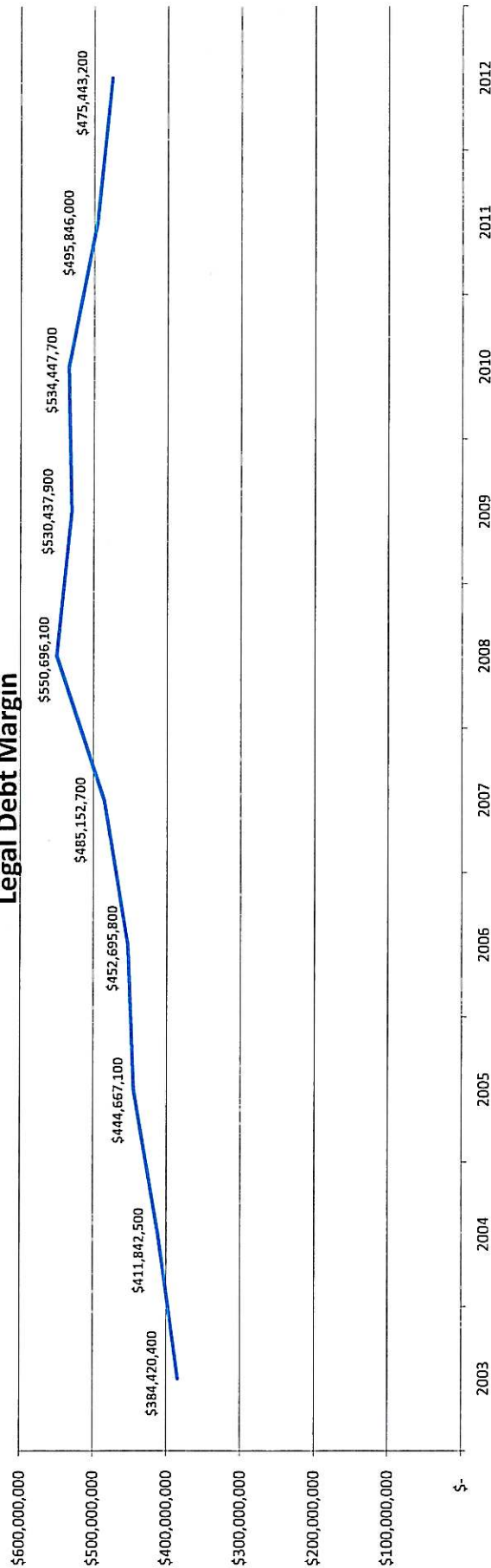
**Fayette County, Georgia**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

For Fiscal Year Ended June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Legal Debt Margin Calculation:</b>										
Net Assessed Value of Property (amounts in \$1,000 increments)	\$ 3,844,204	\$ 4,118,425	\$ 4,446,671	\$ 4,526,958	\$ 4,851,527	\$ 5,506,961	\$ 5,304,379	\$ 5,344,477	\$ 4,958,460	\$ 4,754,432
Debt Limit (10% of Net Assessed Value) (amounts in \$1 increments)	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200
Less: Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Add: Debt Service Funds Available	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200
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.

**Legal Debt Margin**





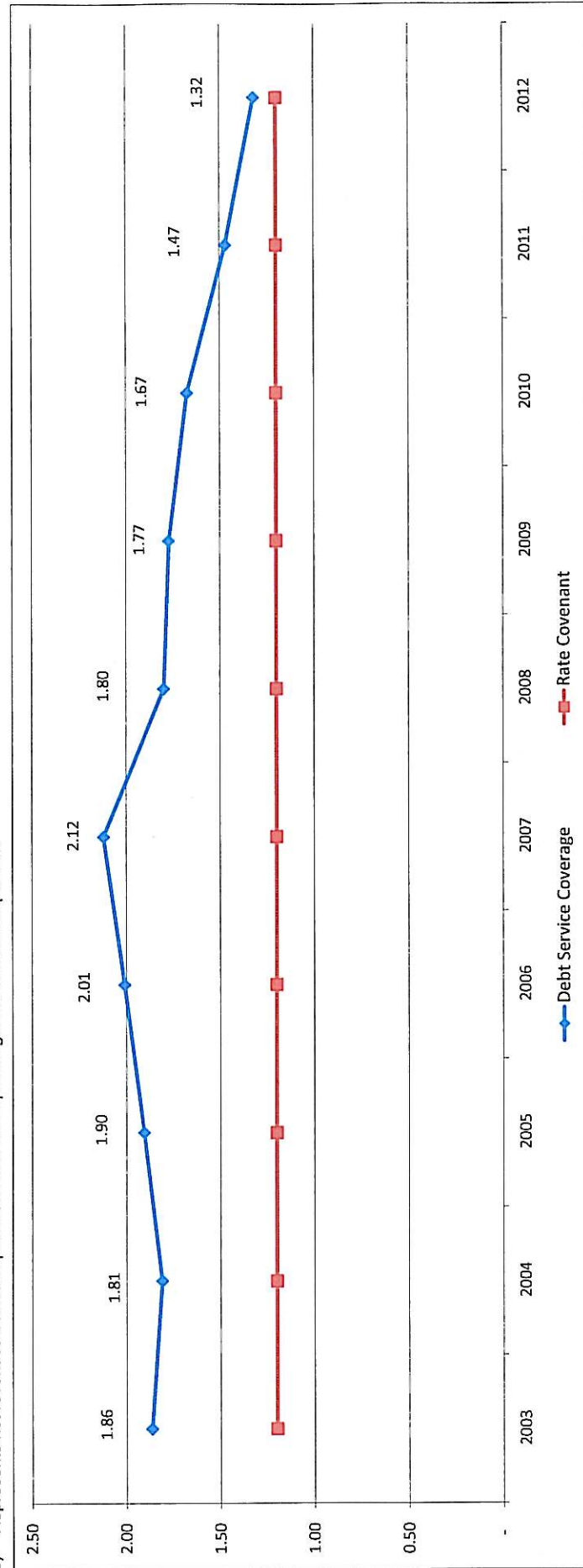
Fayette County, Georgia  
Pledged Revenue Coverage  
Last Ten Fiscal Years

	For Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gross Revenues (1)	\$ 11,046,078	\$ 11,550,276	\$ 11,887,582	\$ 12,430,665	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866
Reasonable and Necessary Operating Costs (2)	5,000,024	4,933,275	4,938,090	5,095,451	5,814,275	5,730,442	6,045,049	6,060,856	6,466,224	7,394,893
Net Revenue Available for Debt Service (3)	6,046,054	6,617,001	6,949,492	7,335,214	7,728,714	6,555,086	6,446,258	7,283,398	7,822,843	7,175,973
Debt Service Payments	3,242,372	3,654,175	3,648,231	3,650,154	3,644,350	3,645,225	3,641,311	4,351,288	5,320,501	5,440,539
Coverage	1.86	1.81	1.90	2.01	2.12	1.80	1.77	1.67	1.47	1.32

(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.

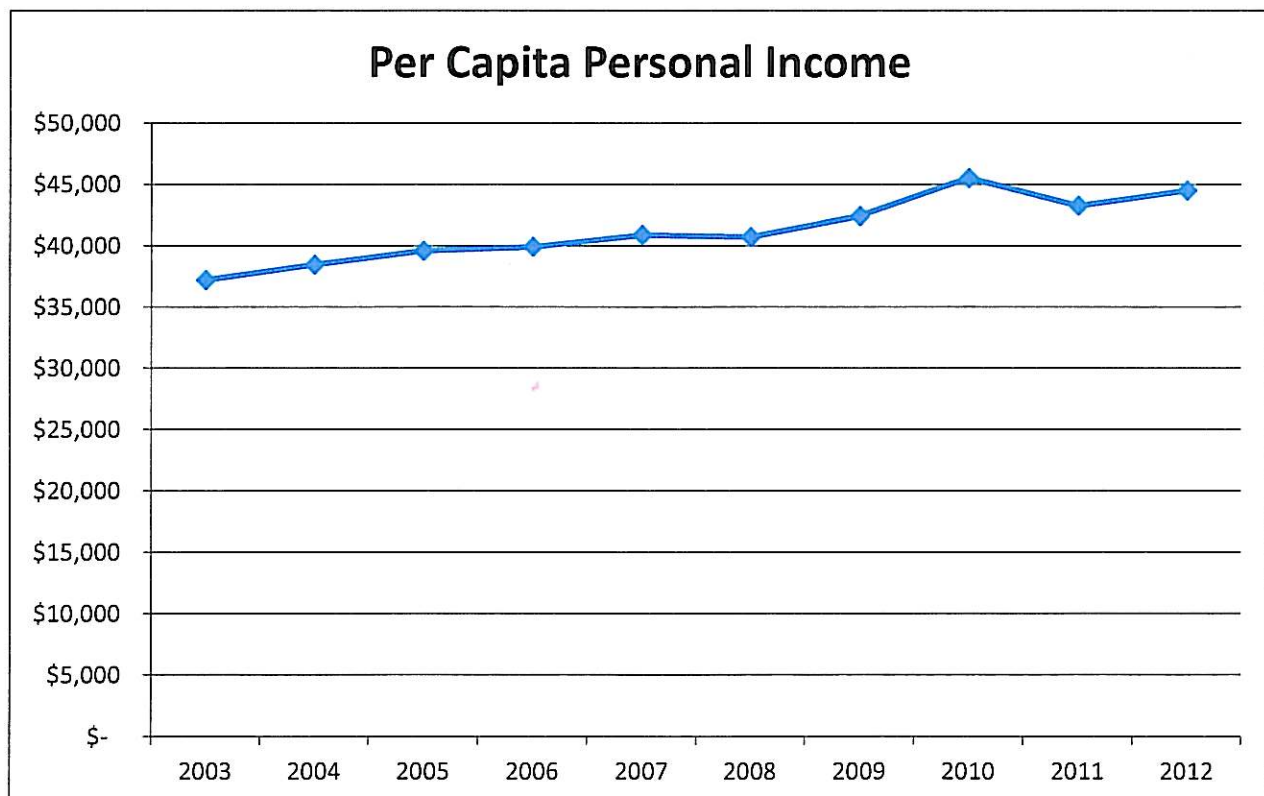
(3) Represents net revenues before depreciation and non-operating revenues and expenses.



**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
2003	98,837	\$ 3,675,000,000	\$ 37,182	39	21,239	3.0%
2004	101,333	3,895,000,000	38,438	39	21,624	2.9%
2005	101,500	4,016,000,000	39,567	39	22,338	4.6%
2006	103,700	4,136,000,000	39,884	39	22,513	4.3%
2007	104,248	4,259,600,000	40,860	40	22,214	4.0%
2008	105,400	4,266,407,000	40,691	40	22,108	5.4%
2009	106,465	4,484,620,000	42,384	40	22,047	5.7%
2010	106,788	4,838,366,000	45,474	42	21,274	7.9%
2011	106,567	4,614,827,000	43,215	42	21,120	9.0%
2012	107,784	4,792,110,000	44,460	43	20,506	7.3%

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



**Fayette County, Georgia  
Principal Employers  
Current Year**

	2012		
<u>Private Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Piedmont Fayette Hospital	1,400	1	3.06%
NCR	1,200	2	2.62%
Cooper Lighting	600	3	1.31%
Hoshizaki America, Inc	330	4	0.72%
Panasonic	300	5	0.66%
World Airways	255	6	0.56%
FAA Tracon	190	7	0.42%
TDK Components	130	8	0.28%
Cooper Wiring Device Headquarters	130	9	0.28%
SANY America	126	10	0.28%
Total	<u>4,535</u>		<u>10.18%</u>

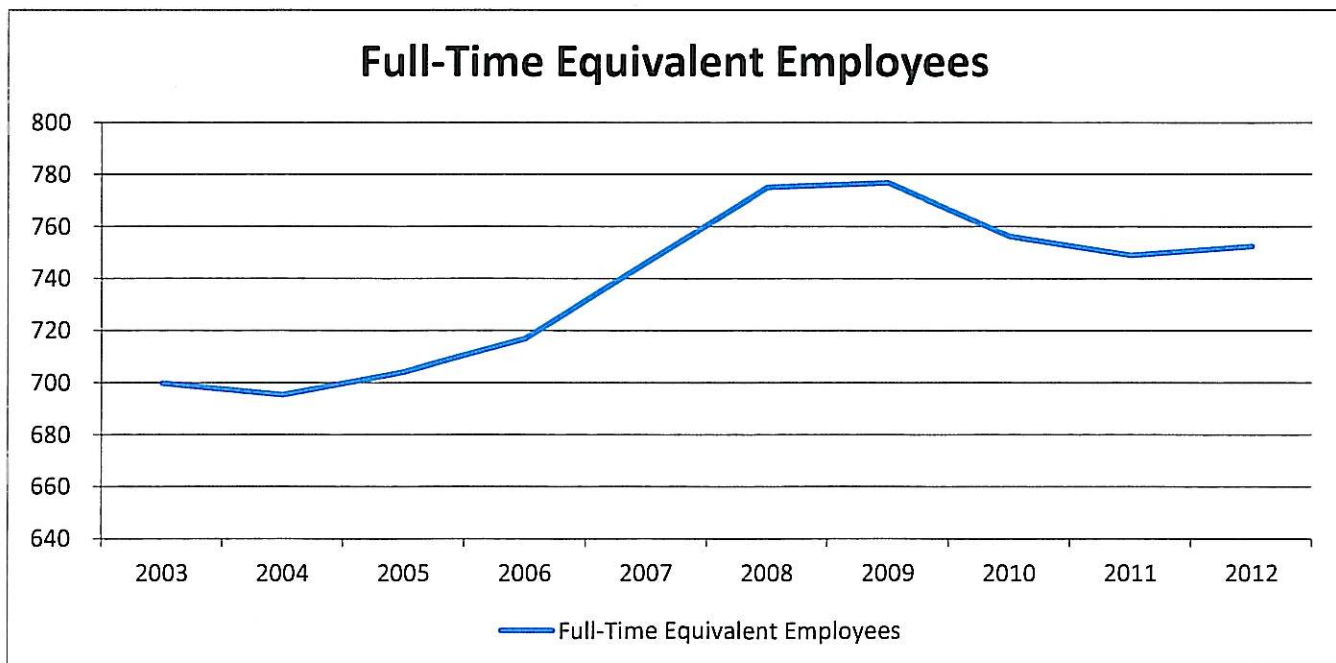
Source: Fayette County Development Authority

Note: The information from nine years ago is not presented because there was not a reliable source from which to obtain the data.

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

	For Fiscal Year Ended June 30,									
<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government	107	107	113	113	120	125	124	113	111	112
Judicial System	50	50	53	54	58	58	58	56	56	59
Public Safety:										
Animal Control	5	5	5	6	6	6	7	7	7	5
Coroner	3	3	3	3	3	3	3	3	3	3
Emergency 911	30	30	30	30	36	36	36	36	36	36
Emergency Services	34	34	37	41	45	47	47	47	47	47
Fire	90	90	93	97	99	105	105	105	105	105
Marshal	10	10	10	10	12	12	12	11	11	11
Sheriff	215	212	214	216	217	230	230	230	230	230
Total Public Safety	387	384	392	403	418	439	439	438	438	437
Public Works:										
Roads	47	47	49	47	49	50	51	48	45	45
Water System	66	65	61	62	62	62	63	62	61	61
Stormwater	-	-	-	-	-	-	-	5	5	5
Solid Waste Management	2	2	-	1	1	1	1	1	1	1
Total Public Works	115	114	110	110	112	113	115	116	112	112
Housing and Development	22	22	19	20	20	21	21	14	14	14
Culture and Recreation	19	19	17	17	18	19	19	18	17	18
Total	700	695	704	717	746	775	777	756	749	752

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>	<b>For the Fiscal Year Ended June 30,</b>									
	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
<b>General Government:</b>										
Number of Registered Voters	62,730	63,637	67,851	70,000	71,000	71,000	75,967	75,448	76,980	79,710
Number of Parcels Assessed	38,110	39,194	39,194	40,348	41,709	42,000	42,479	42,479	42,479	42,134
<b>Judicial System:</b>										
Civil Cases	1,443	1,543	1,570	n/a	1,120	1,875	2,341	2,294	2,325	1,805
Criminal Cases	844	816	825	n/a	903	875	872	887	900	513
Firearms Licenses	765	902	969	1,256	838	893	937	1,342	1,472	1,903
Juvenile Cases Filed	1,750	1,948	2,025	2,100	2,007	2,500	1,961	1,379	1,379	1,108
Marriage Licenses	719	666	699	1,100	633	697	641	617	619	600
Passports	613	310	251	360	261	288	665	492	492	492
Real Estate Instruments Filed	48,903	34,152	35,125	n/a	33,193	30,500	18,449	18,800	18,800	16,236
<b>Public Safety:</b>										
Average Daily Jail Population	246	226	217	220	228	228	261	256	256	292
Burning Permits (2)	12,302	13,586	15,161	12,700	15,161	-	-	-	-	-
Emergency Response Activity	5,021	5,792	6,463	6,250	6,418	6,418	6,613	6,588	7,284	7,284
Fire/EMS Dispatch (1)	9,239	10,625	10,874	11,589	n/a	11,970	12,010	12,797	13,441	12,954
Law Enforcement Dispatch (1)	51,372	44,827	46,070	46,737	n/a	n/a	n/a	45,554	45,950	46,236
Traffic Tickets Written	2,189	1,765	2,546	2,650	2,450	1,425	5,624	10,609	10,609	10,609
<b>Public Works:</b>										
Number of Vehicles Serviced	200	195	220	196	198	194	340	484	336	348
Street Maintenance (Miles)	466	466	475	478	510	601	687	576	529	528
Water Production (MGD))	8.2	8.7	9.0	9.1	7.9	8.9	8.5	7.8	7.8	8.7
Water System Customers	24,096	25,071	26,057	26,945	26,935	27,800	27,234	27,493	27,698	27,881
<b>Housing and Development:</b>										
Building Permits Issued	773	918	833	800	743	750	292	632	632	713
<b>Culture and Recreation</b>										
Monthly Circulation of Library Materials	42,581	24,954	25,997	27,083	27,083	26,867	26,832	55,181	42,400	53,601
Number of Programs and Classes Offered	189	377	341	350	327	315	398	497	497	549
Reference Questions Answered Monthly	7,500	7,750	7,917	8,083	8,083	8,167	8,145	10,417	11,436	31,126

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

(2) Department no longer keeping counts

Source: Fayette County Budget Document

Source: Department statistical data



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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government:										
County Office Buildings	1	1	1	1	1	1	1	1	1	1
Senior Citizens Center	-	-	-	-	-	1	1	1	1	1
Judicial System:										
Justice Center	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Patrol Vehicles (1)	N/A	N/A	N/A	160	160	155	162	162	158	158
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works:										
Miles of County Maintained Roads	466.1	465.6	474.5	478.2	510.0	601.6	687.0	576.0	529.0	528.0
Miles of Road Resurfacing	27.0	49.5	38.9	33.2	33.2	55.4	26.2	26.2	25.0	33.2
Culture and Recreation										
Park Acreage	366	366	366	366	366	366	366	366	366	366
Parks	6	6	6	6	6	6	6	6	6	6
Multi-Purpose facility	1	1	1	1	1	1	1	1	1	1
Water System:										
Water Treatment Plant	2	2	2	2	2	2	2	2	2	2

(1) Information not available for fiscal years 2003 through 2005.

Source: Fayette County Fixed Asset Records and Department Heads

**Fayette County, Georgia**  
**Schedule of Insurance Coverages**  
**June 30, 2012**

<u>Property Coverages</u>	<u>Amount In Force</u>
Property (1)	\$ 162,210,643
Other Equipment	23,797,144
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	2,000,000	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, dental and workers' compensation claims. Additional information on the management of these risks is contained in the Notes to the Financial Statements.