



FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2009



Where Quality Is A Lifestyle

FAYETTE COUNTY

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2009

Prepared by

County Finance Office



Where Quality Is A Lifestyle

INTRODUCTORY SECTION

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CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING

LISTING OF PRINCIPAL OFFICERS

ORGANIZATIONAL CHART

Fayette County, Georgia

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Where Quality Is A Lifestyle

December 30, 2009

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

The Comprehensive Annual Financial Report of Fayette County, Georgia for the fiscal year ended June 30, 2009, is hereby submitted as mandated by both Local ordinances and State statutes. These ordinances and statutes require that Fayette County, Georgia issue a report on its financial position and activity on an annual basis, and this report is to be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups, and component units of Fayette County, Georgia. All disclosures necessary to enable the reader to gain an understanding of the County financial activities have been included.

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

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

Reporting Entity

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

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

The County provides a full range of services to its estimated 106,465 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 27,284 customers in the unincorporated areas of the County and through the County owned distribution systems in the City of Peachtree City and the Towns of Tyrone and Woolsey. The Water System also wholesales water to the City of Fayetteville and the Town of Brooks pursuant to wholesale water contracts, which expire in 2034 and 2024, respectively.

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

Government Structure, Local Economic Condition and Outlook

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

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

The economic condition and outlook for Fayette County remains stable. The net assessment of property in the County has increased 3.6% from \$5,243,135,438 in 2007 to \$5,431,100,479 in 2008. The unemployment rate at June 30, 2009 was 5.7 percent compared to the State average of 10.1 percent.

Collections from sales taxes within Fayette County decreased during fiscal year 2009. The local option sales taxes were \$9 million for 2009, a 13% decrease over last year's collections. The special local option sales tax for road infrastructure improvements totaled \$15.1 million for fiscal year 2009.

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

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

Accounting and Budgetary Controls

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

exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

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

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

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, U.S. Government securities and repurchase agreements. At June 30, 2009, the County has investments in certificates of deposit, U.S. Government securities, repurchase agreements, and the Georgia Fund 1 State Investment Pool. The County earned interest revenue of \$1.6 million on all investments of the governmental and proprietary types for the year ended June 30, 2009.

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, 2009, all of the County's depositories provided sufficient and/or proper collateralization of the County's deposits. All other collateral on deposits was held either by the County, its agent, or a financial institution's trust department in the County's name.

Risk Management

Fayette County is self-insured for employee dental and vision coverage. Third party administrators are employed to process claims for the dental and vision programs.

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

Independent Audit

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

Reporting Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fayette County for its comprehensive annual financial report for the year ended June 30, 2008. The County has received this award for each of the last sixteen 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 2009.

Acknowledgments

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

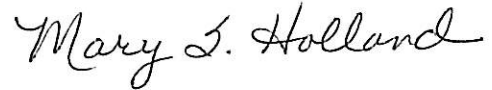
We would also like to thank the Chairman and members of the Board of Commissioners for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. We believe that the

accomplishments that have been identified in this transmittal letter and the accompanying MD&A section clearly indicate that the Board of Commissioners has effectively and efficiently planned and managed the resources that were entrusted to them by the Citizens of the County.

Respectfully submitted,



Jack Krakeel
County Administrator



Mary S. Holland
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fayette County
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



President

Executive Director

FAYETTE COUNTY, GEORGIA
LISTING OF PRINCIPAL OFFICIALS
June 30, 2009

BOARD OF COMMISSIONERS

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

COUNTY ADMINISTRATOR

Jack J. Krakeel

CHIEF FINANCIAL OFFICER

Mary S. Holland

COUNTY PURCHASING AGENT

Tim Jones

COUNTY ATTORNEY

Scott Bennett

TAX COMMISSIONER

George Wingo

SHERIFF

Wayne Hannah

MAGISTRATE COURT JUDGE

Charles R. Floyd, Jr., Chief Magistrate

PROBATE COURT JUDGE

Ann Jackson

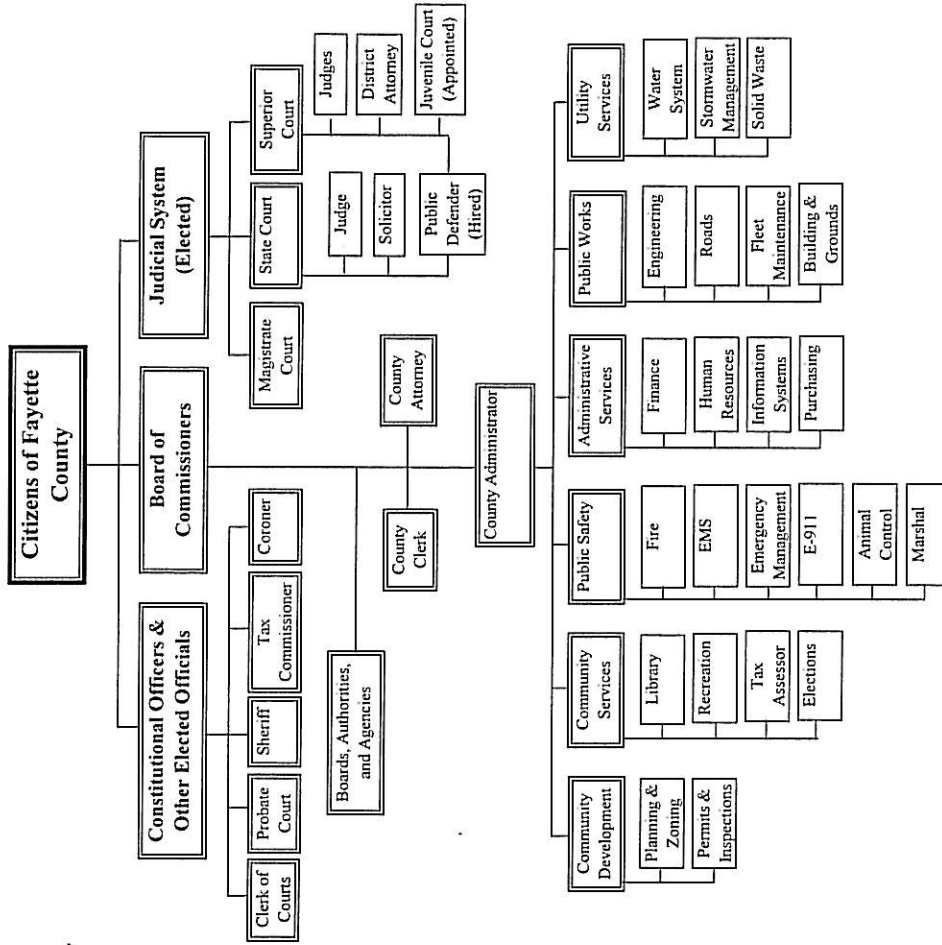
CLERK OF SUPERIOR COURT

Sheila Studdard

AUDITORS

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

FAYETTE COUNTY, GEORGIA ORGANIZATIONAL CHART





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FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

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 Fayette County, Georgia (the "County") as of and for the year ended June 30, 2009, 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 which represents 100 percent of the assets and 100 percent of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to amounts included for the Fayette County Department of Public Health and the Fayette County Development Authority is based solely on the reports 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide 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 financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2009, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2009 on our consideration of the County's internal control over financial reporting and 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, 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14 and the Required Supplementary Information on pages 57 through 61 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, internal service funds, fiduciary funds, and statistical section are presented for purposes of additional analysis and are not part of the basic financial statements. The combining and individual fund statements and schedules, internal service funds, and fiduciary funds and the schedule of projects constructed with Special Purpose Local Option Sales Tax (S.P.L.O.S.T.) have been subjected to the auditing procedures applied in our 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.

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

Atlanta, Georgia
December 30, 2009

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

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements include not only the County itself (called the primary government), but also legally separate entities for which the County is financially accountable (called component units). The activities of the primary government are comprised of functions of the County that are primarily financed by taxes and intergovernmental revenues. Examples include courts and law enforcement, public safety, planning and community development and general government. The County's statements include two component units for which the County is financially responsible: the Fayette County Development Authority and the Fayette County Department of Public Health. The

financial information for these component units is reported separately from the financial information presented for the primary government. Complete financial statements for each of the individual component units can be obtained from:

Fayette County Development Authority
200 Courthouse Square
Fayetteville, Georgia 30214

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

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

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fayette County uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. All funds of Fayette County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

Fayette County adopts an annual appropriated budget for the General Fund, each Special Revenue Fund, and the SPLOST library fund. A budgetary comparison statement is provided for each of these funds in order to present budgetary compliance. Project Length Budgets are adopted for the remaining Capital Project Funds. Budgetary comparison statements are presented, in order to present budgetary compliance.

Proprietary funds - The financial statements of Fayette County include four internal service funds: the Worker's Compensation Self-Insurance Fund, the Medical Self-Insurance Fund, the Dental/Vision Self-Insurance Fund, and the Vehicle Replacement Fund. Internal service funds are a type of proprietary fund used to accumulate and allocate costs internally among various functions in the County. Also, included in the financial statements are two enterprise funds:

Water System Fund and Solid Waste Fund which are types of proprietary funds. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

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

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

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

Financial Highlights

- The assets of Fayette County Governmental Activities exceeded its liabilities at June 30, 2009 by \$184,985,288 (net assets). Of this amount, \$49,851,847 is unrestricted net assets. Fayette County's Business-type Activities exceeded its liabilities at June 30, 2009 by \$79,157,635 (net assets). Of this amount, \$3,504,049 is unrestricted net assets. The Primary Government's total unrestricted net assets is \$53,355,896 and may be used to meet the County's ongoing obligations to citizens and creditors.

Fayette County's Net Assets

	Government Activities		Business Type Activities		Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 133,690,313	\$126,162,077	\$ 16,538,872	\$ 17,418,933	\$150,229,185	\$143,581,010
Capital assets	<u>116,830,760</u>	<u>121,336,423</u>	<u>107,623,465</u>	<u>109,310,041</u>	<u>224,454,225</u>	<u>230,646,464</u>
Total assets	<u>250,521,073</u>	<u>247,498,500</u>	<u>124,162,337</u>	<u>126,728,974</u>	<u>374,683,410</u>	<u>374,227,474</u>
Long-term liabilities	59,472,800	62,366,944	43,167,715	45,366,324	102,640,515	107,733,268
Other liabilities	<u>6,062,985</u>	<u>5,695,134</u>	<u>1,836,987</u>	<u>2,437,648</u>	<u>7,899,972</u>	<u>8,132,782</u>
Total liabilities	<u>65,535,785</u>	<u>68,062,078</u>	<u>45,004,702</u>	<u>47,803,972</u>	<u>110,540,487</u>	<u>115,866,050</u>
Net assets:						
Invested in capital assets, net of related debt	63,748,577	66,118,115	64,569,214	64,042,796	128,317,791	130,160,911
Restricted	71,384,864	11,656,300	11,084,372	12,010,175	82,469,236	23,666,475
Unrestricted	<u>49,851,847</u>	<u>101,662,007</u>	<u>3,504,049</u>	<u>2,872,031</u>	<u>53,355,896</u>	<u>104,534,038</u>
Total net assets	<u>\$184,985,288</u>	<u>\$179,436,422</u>	<u>\$79,157,635</u>	<u>\$78,925,002</u>	<u>\$264,142,923</u>	<u>\$258,361,424</u>

Statement of Net Assets & Activities

As noted earlier, changes in net assets over time can be a useful indicator of a government's financial position. At the end of fiscal year ending June 30, 2009, the County's assets exceeded liabilities by \$264,142,923 or an increase of \$5,781,499, a 2.2% increase over 2008.

Governmental activities total net assets increased in part due to an overall decrease in the liabilities from a \$3 million reduction in debt. The increase in the business type activities net assets during the current fiscal year was also the result of a decrease in the long-term liabilities.

The following summarizes the components of the County's net assets at June 30, 2009 for the primary government.

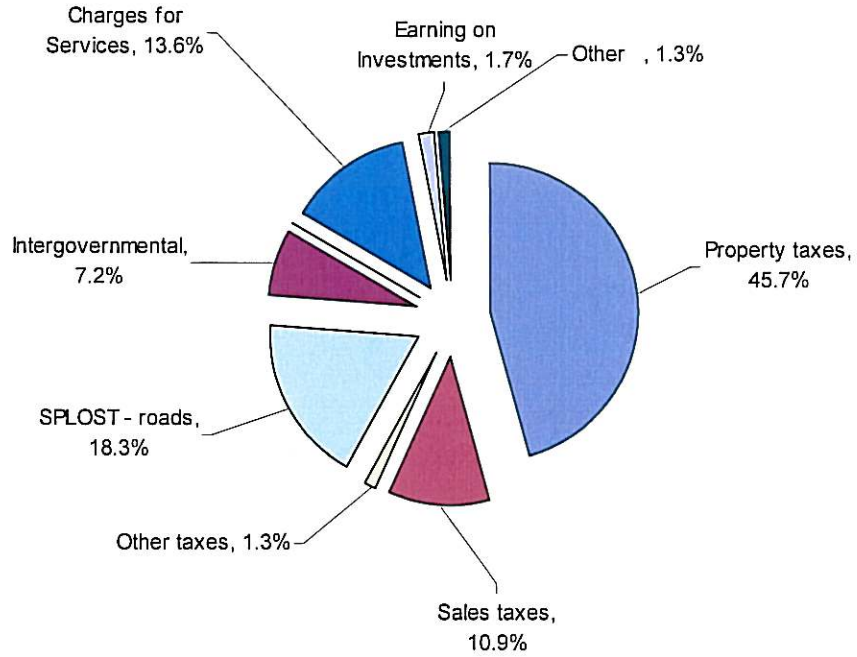
Fayette County's investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any outstanding related debt used to acquire the asset and accumulated depreciation, equals 48.6 percent of net assets. The County uses these capital assets to provide services to citizens and, consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the assets themselves are not readily available to liquidate these liabilities.

Fayette County's net assets also include restricted net assets of \$82,469,236 (or 31.2 percent of net assets), and unrestricted net assets of \$53,355,896 (or 20.2 percent of net assets). Restricted net assets represent resources subject to external restriction on how they may be used. Unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors.

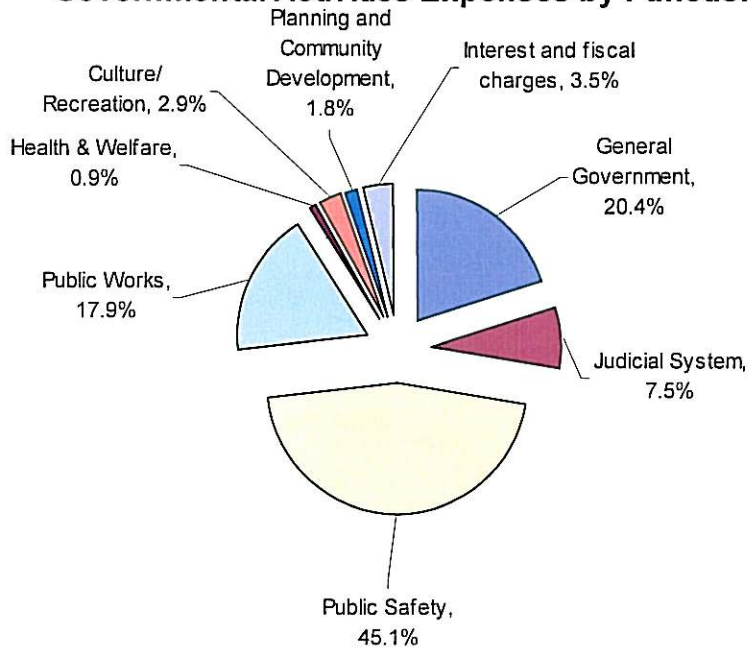
Fayette County's Statement of Activities and Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues						
Charges for services	\$11,158,965	\$8,470,349	\$12,600,429	\$12,370,908	\$23,759,394	\$20,841,257
Operating grants and contributions	23,148	20,582	-	-	23,148	20,582
Capital grants and contributions			1,096,917	1,294,879	1,096,917	1,294,879
General revenues:						
Property taxes	37,627,125	37,601,739	-	-	37,627,125	37,601,739
Sales taxes	8,990,109	10,313,833	-	-	8,990,109	10,313,833
SPLOST – roads	15,103,230	20,462,347	-	-	15,103,230	20,462,347
Other taxes	1,041,225	960,291	-	-	1,041,225	960,291
Earning on Investments	1,424,672	4,149,265	130,550	572,483	1,555,222	4,721,748
Intergovernmental	5,957,783	2,883,703	-	-	5,957,783	2,883,703
Other	<u>1,063,901</u>	<u>950,432</u>	<u>89,246</u>	<u>117,156</u>	<u>1,153,147</u>	<u>1,067,587</u>
Total revenues	82,390,158	85,812,541	13,917,142	14,355,425	96,307,300	100,167,966
Expenses:						
General government	15,816,215	19,913,322	-	-	15,816,215	19,913,322
Judicial	5,800,998	5,650,814	-	-	5,800,998	5,650,814
Public safety	34,914,755	31,978,900	-	-	34,914,755	31,978,900
Public works	13,866,560	7,673,140	-	-	13,866,560	7,673,140
Health and welfare	726,382	719,934	-	-	726,382	719,934
Culture and recreation	2,208,201	1,058,911	-	-	2,208,201	1,058,911
Planning and development	1,418,307	1,392,864	-	-	1,418,307	1,392,864
Interest and fiscal charges	2,717,850	3,375,326	-	-	2,717,850	3,375,326
Water System	-	-	12,890,913	12,635,303	12,890,913	12,635,303
Solid Waste	-	-	<u>165,620</u>	<u>160,688</u>	<u>165,620</u>	<u>160,688</u>
Total expenses	<u>77,469,268</u>	<u>71,763,211</u>	<u>13,056,533</u>	<u>12,795,991</u>	<u>90,525,801</u>	<u>84,559,202</u>
Excess(deficiency) before transfers	4,920,890	14,049,330	860,609	1,559,434	5,781,499	15,608,764
Transfers						
Transfers in	627,976	596,940	-	-	627,976	596,940
Transfers out	-	-	<u>(627,976)</u>	<u>(596,940)</u>	<u>(627,976)</u>	<u>(596,940)</u>
Total transfers	627,976	596,940	(627,976)	(596,940)	-	-
Increase (decrease) in net assets	5,548,866	14,646,270	232,633	962,494	5,781,499	15,608,764
Net assets, beginning of year	<u>179,436,422</u>	<u>164,790,152</u>	<u>78,925,002</u>	<u>77,962,508</u>	<u>258,361,424</u>	<u>242,752,660</u>
Net assets, end of year	<u>\$184,985,288</u>	<u>\$179,436,422</u>	<u>\$79,157,635</u>	<u>\$78,925,002</u>	<u>\$264,142,923</u>	<u>\$258,361,424</u>

Governmental Activities Revenue by Source



Governmental Activities Expenses by Function



As of June 30, 2009, Fayette County's total governmental funds reported combined ending fund balances of \$116,462,944, an increase of \$8,983,487 in comparison with the previous fiscal year. More information on this increase can be found in the individual fund sections starting below. Approximately 41.3 percent or \$48,122,328 is made up of unreserved fund balance that is available to meet the County's ongoing obligations to creditors. The remainder of the fund balance, \$68,340,616, is reserved to indicate that it is not available for new spending because it has already been committed. The amount reserved for purchase order commitments is \$42,054.

- The debt of Fayette County decreased by \$1,345,000 the principal payment of the Fayette County Public Facilities Authority during the current fiscal year.
- Fayette County's capital lease debt decreased by \$844,880 for fiscal year 2009.
- The Certificates of Participation in the GMA Lease Pool were reduced by \$1,018,797.
- The maintenance and operations property tax rates of the General Fund and the Fire Fund were changed from FY2008 to FY2009 as follows:

<u>Fund</u>	<u>M&O Tax Rate</u> <u>FY2009</u>	<u>M&O Tax Rate</u> <u>FY2008</u>	<u>Change in</u> <u>Tax Rate</u>	<u>Percentage</u> <u>Change</u>
General	5.400	5.432	(0.032)	(.59%)
Fire	1.991	2.000	(0.005)	(.22%)
EMS	.548	.550	(.002)	(.36%)

Fund Financial Information

Major Governmental Funds

General Fund

The General Fund is the chief operating fund of the County. At June 30, 2009 the unreserved fund balance in the General Fund was \$31,929,556, which is designated as follows: for emergencies (\$2,000,000), working capital (\$11,625,653), future expenditures (\$151,307) and capital improvements (\$12,894,640). The remaining unreserved fund balance of \$5,257,956 is undesignated. As a measure of the liquidity of the General Fund, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures, unreserved fund balance represents 72.4 percent of total General Fund expenditures, while total fund balance represents 74.7 percent of that same amount.

The fund balance of the County's General Fund increased by \$1,281,809 during the current fiscal year. Compared to FY2008's figure of \$1.3 million, revenues were \$0.3 million over expenditures in FY2009. This decrease in revenue over expenditures from the prior year was the result of a decreased revenue receipts in the current year as a result of the downturn in economy. Operating expenditures were held consistent to help cover the revenue shortage. However, overall expenditures increased as a result of increase spending in public works related to SPLOST road projects.

Transfers increased the excess of the \$0.3 million revenues over expenditures by net transfers of \$.9 million in FY 2009 compared to net transfers out of \$1.9 in FY2008. The increase in

transfers was the result of capital projects being placed on hold with the weakened economic condition.

General Fund Budgetary Highlights

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

During fiscal year 2009, the actual revenue budgets of the General Fund were \$3,071,221 less than final budgetary estimates. Sales taxes came in \$1,009,891 weaker than anticipated. Also, the licenses and permits were \$272,186 lower than final budget estimates as a result in the decrease in the construction industry. In addition, investment income was lower than anticipated due to the drop in interest rates during the fiscal year.

Other Major Governmental Funds

The Fire District Fund has a total fund balance of \$6,130,842, which represents an increase from the prior year of \$3,733,037. Total fund balance for the Fire District Fund is 82 percent of its 2009 expenditures. The fund balance was budgeted to increase \$4,073,660 during fiscal year 2009 as planned to provide the necessary funding for the planned capital outlay as outlined in the five year capital improvement program.

The SPLOST County-Wide Roads Capital Project Fund has a total fund balance of \$53,519,911, which represents an increase from the prior year of \$7,726,467. The primary reason for the increase is continuation of collections of a one-cent Special Purpose Local Option Sales Tax (SPLOST) for Road and Bridge purposes.

The SPLOST Roads Unincorporated Capital Project Fund has a total fund balance of \$4,317,584, which represents a decrease from the prior year of \$294,504. The primary reason for the decrease is expenditures in excess of collections for the Road and Bridge purposes.

The proceeds of this tax accounted for in the SPLOST Roads Unincorporated and the SPLOST County-Wide Roads Capital Project Funds will provide an estimated \$115,857,000 for construction of transportation projects within the County and improvements to the County's transportation infrastructure. The tax was effective on April 1, 2005. During fiscal 2009, S.P.L.O.S.T. proceeds totaled \$18,806,685. While expenditures were \$10,314,072.

The EMS District Fund accounts for emergency services provided within the EMS district. The financing for the fund comes from a special tax levy. During the current year, the fund balance had an increase of \$370,787 which was slightly less than anticipated in the final budget based on a decrease in charges for services and a decrease in overall expenditures.

Non-Major Governmental Funds

Special Revenue Funds

At June 30, 2009, the fund balances for the Non-Major Special Revenue Funds totaled \$3,790,916. During the fiscal year, the total fund balances for these funds increased by \$1,562,453. The majority of this change was due to the Law Enforcement Confiscated Monies (LECM) fund which received \$1,365,443 more in revenues than expended in the current year.

Capital Projects

At June 30, 2009 the Non-Major Capital Projects funds had a combined fund balance totaling \$14,895,044. This fund is used to accumulate funds necessary to construct or acquire capital assets. During the fiscal year, the total fund balances for these funds decreased by \$5,396,562. The primary reason for the decrease is the continuation of project work that has been funded in prior years.

Major Proprietary Funds

Water System

The Water System provides water services to approximately 27,284 customers in Fayette County. The analysis provides summary financial information for the Water System and should be read in conjunction with the financial statements on pages 22 –25 and the related footnotes.

Financial Highlights

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

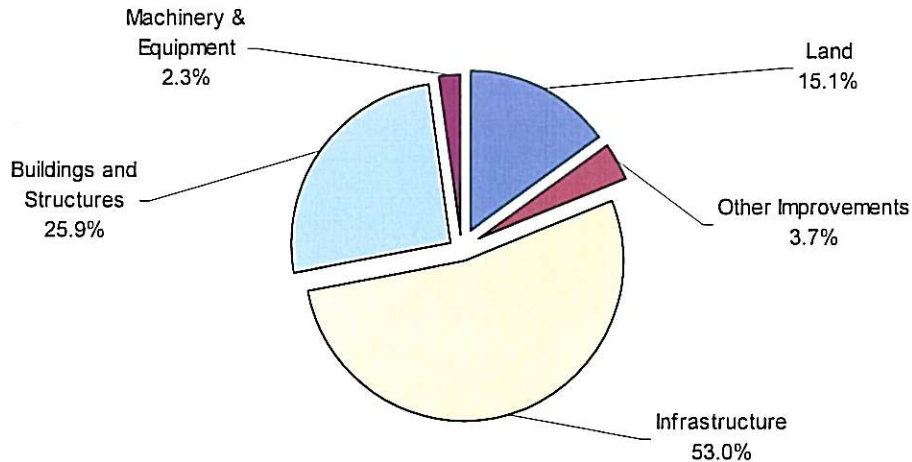
The following summarizes the components of the Water System's net assets at June 30, 2009 and 2008:

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

- The Water System adopted the State of Georgia's water regulations in 2004. Detailed water restrictions and information can be obtained on the County's website fayettecountyga.gov.
- Water sales revenue increased \$224,776 or 1.9% over 2008 revenue. This increase was due to the first phase of a rate increase that was effective March 1, 2009. The second phase is effective January 1, 2010.

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

Water System Assets



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

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

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

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

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

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

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

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

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

Non-Major Proprietary Funds

Solid Waste

Fayette County closed the First Manassas Mile Road landfill in 1997. To provide Fayette County citizens with disposal services, Georgia Waste Management operates a transfer station and the County is paid host fees and leaf and limb revenue based on tonnage. At fiscal year end for 2009, Solid Waste fund's net assets equated to \$1,352,879.

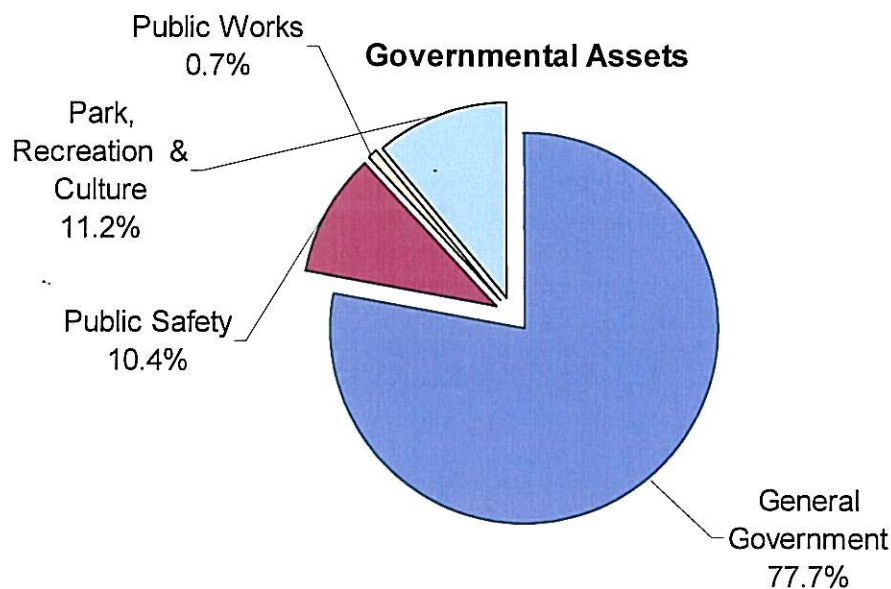
The Georgia Environmental Protection Division (EPD) has completed a review of the landfill financial test mechanism. Fayette County is in compliance until December 30, 2009, for the closure and post-closure care financial assurance requirements in the 2008 fiscal year. The relative financial strength ratio is 0.01 for 2009 fiscal year. The EPD requires a relative financial strength ratio equal to or less than 0.20. The County's relative financial strength ratio is exceptional.

The major goals for 2009 were; Continue to monitor the groundwater and methane to assure natural attenuation is correcting the groundwater contamination at the Southside Landfill, and maintain the yard waste operation in order to minimize the negative change in net assets at the end of the fiscal year. The change in net assets for 2009 was a decrease of \$50,648, or 3.6 percent.

	<u>2009</u>	<u>2008</u>
Current Assets	\$1,310,140	\$1,339,903
Capital Assets, net of accumulated depreciation	<u>64,975</u>	<u>74,440</u>
Total Assets	1,375,115	1,414,343
Current Liabilities	20,958	9,415
Long-term Liabilities	<u>1,278</u>	<u>1,402</u>
Total Liabilities	22,236	7,956
Net Assets:		
Invested in capital assets, net of related debt	64,975	74,440
Unrestricted	<u>1,287,904</u>	<u>1,329,087</u>
Total Net Assets	<u>\$1,352,879</u>	<u>\$1,403,527</u>

Capital Assets

Capital assets - Fayette County's capital assets as of June 30, 2009, totaled \$224,454,225 net of accumulated depreciation. Governmental activity accounts for \$116,830,760 while business type totals \$107,623,465. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. (see Note III B. Capital Assets on pages 43-45)



The Government's Debt

Long-term debt – At the end of the current fiscal year, Fayette County governmental activities has total bonded debt outstanding of \$57,254,736. This amount represents the Fayette County Public Facilities Authority Revenue Bonds of \$49,410,000 issued to construct the Criminal Justice Center, the capital leases of \$3,672,183 for the 841 Mhz radio system for E911 and various copiers throughout the county, the GMA lease pool certificate of participation of \$3,981,203 (see pages 46-52), and the OPEB liability of \$191,350. a

Other Financial Information

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

The tax began April 1, 2005 and will continue through March 31, 2010 or at the end of the quarter where the raising of \$115,857,267 is obtained, whichever occurs first.

The tax has been subdivided into two parts with 70 percent of the available funding earmarked for County-Wide Projects and the remaining 30 percent of available funding earmarked for use of projects sponsored by a city, town, or the unincorporated portion of Fayette County (see pages 73-75).

Request for Information

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

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



Where Quality Is A Lifestyle

BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Statement of Net Assets

June 30, 2009

	Primary Government		Primary Government Total	Component Unit Total
	Governmental Activities	Business-type Activities		
ASSETS				
Unrestricted cash	\$ 55,462,735	\$ 2,878,961	\$ 58,341,696	\$ 1,008,623
Restricted cash	71,127,230	11,084,372	82,211,602	355,291
Unrestricted investment	-	-	-	-
Restricted Investment	-	-	-	602,383
Taxes receivable, net	2,083,961	-	2,083,961	-
Other receivables	3,763,776	1,649,170	5,412,946	31,753
Inventory and prepaid expenses	1,042,063	620,470	1,662,533	7,564
Unamortized debt issue costs	210,548	305,899	516,447	-
Capital assets, non depreciable	9,070,983	14,966,136	24,037,119	-
Capital assets, net of accumulated depreciation	107,759,777	83,889,716	191,649,493	269,161
Construction in process	-	8,767,613	8,767,613	-
Total assets	<u>250,521,073</u>	<u>124,162,337</u>	<u>374,683,410</u>	<u>2,274,775</u>
LIABILITIES				
Accounts payable	2,885,445	1,087,895	3,973,340	1,024,843
Cash overdraft	12,053	-	12,053	-
Salaries and benefits payable	1,391,800	113,171	1,504,971	-
Unearned revenues	1,497,307	118,600	1,615,907	-
Accrued interest	276,380	517,321	793,701	-
OPEB liability	191,350	-	191,350	-
Current compensated absences	965,147	67,390	1,032,537	-
Current portion of long-term obligations	2,301,050	2,357,955	4,659,005	90,654
Capital lease, net of current portion	2,786,133	-	2,786,133	-
Long term compensated absences payable	1,252,917	46,074	1,298,991	-
Certificate of participation payable	3,981,203	-	3,981,203	-
Notes payable, net of current portion	-	6,100,796	6,100,796	-
Bonds payable, net of current portion	47,995,000	34,595,500	82,590,500	-
Total liabilities	<u>65,535,785</u>	<u>45,004,702</u>	<u>110,540,487</u>	<u>1,115,497</u>
NET ASSETS				
Invested in capital assets, net of related debt	63,748,577	64,569,214	128,317,791	269,161
Restricted for:				
Debt service	4,122,067	5,751,131	9,873,198	-
Renewal and extension	-	5,333,241	5,333,241	-
Capital improvements	67,262,797	-	67,262,797	-
Unrestricted	49,851,847	3,504,049	53,355,896	890,117
TOTAL NET ASSETS	<u>\$ 184,985,288</u>	<u>\$ 79,157,635</u>	<u>\$ 264,142,923</u>	<u>\$ 1,159,278</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, 2009

Functions/Program Activities	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			Component Units
	Expenses	Operating	Capital	Governmental	Primary Government Business	Total	
		Grants and Contributions	Grants and Contributions				
Primary government							
Governmental Activities:							
General Government	\$ 15,816,215	\$ 1,090,531	\$ -	\$ (14,722,926)	\$ -	\$ (14,722,926)	\$ -
Judicial	5,800,998	2,607,184	-	(3,193,814)	-	(3,193,814)	-
Public Safety	34,914,755	7,222,617	10,499	(27,681,639)	-	(27,681,639)	-
Public Works	13,866,560	5,928	-	(13,860,632)	-	(13,860,632)	-
Health and Welfare	726,382	-	-	(726,382)	-	(726,382)	-
Culture/Recreation	2,208,201	211,795	9,891	(1,986,515)	-	(1,986,515)	-
Planning & Community Develop.	1,418,307	20,910	-	(1,397,397)	-	(1,397,397)	-
Interest and fiscal charges	2,717,850	-	-	(2,717,850)	-	(2,717,850)	-
Total governmental activities	77,469,268	11,158,965	23,148	(66,287,155)	-	(66,287,155)	-
Business-type activities:							
Water System	12,890,913	12,491,307	1,096,917	-	697,311	697,311	-
Solid Waste	165,620	109,122	-	-	(56,498)	(56,498)	-
Total business-type activity	13,056,533	12,600,429	1,096,917	-	640,813	640,813	-
Total primary government	\$ 90,525,801	\$ 23,759,394	\$ 23,148	\$ (66,287,155)	\$ 640,813	\$ (65,646,342)	\$ -
Component units:							
Governmental-type	\$ 1,895,062	\$ 783,995	\$ 736,779	\$ -	\$ -	\$ -	(374,288)
Total component units	\$ 1,895,062	\$ 783,995	\$ 736,779	\$ -	\$ -	\$ -	(374,288)
General revenues							
Property taxes				37,627,125		37,627,125	-
Sales taxes				8,990,109		8,990,109	-
Other taxes				1,041,225		1,041,225	-
SPLOST				15,103,230		15,103,230	-
Intergovernmental				5,957,783		5,957,783	323,551
Sales of capital assets				59,595	2,605	62,200	-
Miscellaneous revenues				1,004,306	86,641	1,090,947	32,148
Interest				1,424,672	130,550	1,555,222	21,352
Transfers				627,976	(627,976)	-	-
Total general revenues and transfers				71,836,021	(408,180)	71,427,841	377,051
Change in net assets				5,548,866	232,633	5,781,499	2,763
Net assets - beginning of year				179,436,422	78,925,002	258,361,424	1,156,515
Net assets - end of year				\$ 184,985,288	\$ 79,157,635	\$ 264,142,923	\$ 1,159,278

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

Fayette County, Georgia
Balance Sheet
Governmental Funds

June 30, 2009

	Major Governmental Funds						Total Governmental Funds
	General	Fire District	SPLOST County-Wide Roads CIP	SPLOST Roads Unincorporated	EMS District Fund	Non-Major Governmental Funds	
Assets							
Unrestricted cash	\$ 32,524,248	\$ 6,700,486	\$ -	\$ -	\$ 657,515	\$ 9,378,011	\$ 49,260,260
Restricted cash	-	-	53,320,695	4,424,338	-	9,260,130	67,005,163
Taxes receivable	1,923,768	113,359	-	-	40,738	6,096	2,083,961
Other receivables	889,584	43,679	1,280,116	750,408	396,602	403,387	3,763,776
Inventory	117,231	-	-	-	-	-	117,231
Prepaid items	870,283	1,643	-	-	1,350	45,258	918,534
Total assets	36,325,114	6,859,167	54,600,811	5,174,746	1,096,205	19,092,882	123,148,925
Liabilities							
Accounts payable	550,887	19,130	924,966	846,457	23,664	268,609	2,633,713
Cash overdraft	-	-	-	-	-	12,053	12,053
Due to other governments	-	-	-	-	-	48	48
Salary and benefits payable	993,011	253,406	-	-	85,164	60,219	1,391,800
Compensated absences payable	650,802	223,657	-	-	55,446	35,242	965,147
Contracts payable	-	-	155,934	10,705	-	19,274	185,913
Deferred revenue	1,177,075	232,132	-	-	76,623	11,477	1,497,307
Total liabilities	3,371,775	728,325	1,080,900	857,162	240,897	406,922	6,685,981
Fund Balances							
Reserved for encumbrances	36,269	-	-	-	2,196	3,589	42,054
Reserved for inventories	117,231	-	-	-	-	-	117,231
Reserved for prepaid assets	870,283	1,643	-	-	1,350	45,258	918,534
Reserved for future expenditures	-	-	53,519,911	4,317,584	-	9,425,302	67,262,797
Unreserved:							
Designated for emergencies	2,000,000	-	-	-	-	-	2,000,000
Designated for working capital	11,625,653	1,888,830	-	-	756,825	-	14,271,308
Designated for future expenditures	151,307	-	-	-	-	-	151,307
Non-major special revenues	-	-	-	-	-	3,439,779	3,439,779
Designated for capital improvements	12,894,640	3,275,000	-	-	-	-	16,169,640
Non-major capital projects	-	-	-	-	-	5,430,550	5,430,550
Undesignated	5,257,956	965,369	-	-	94,937	-	6,318,262
Non-major special revenues	-	-	-	-	-	341,482	341,482
Total fund balances	32,953,339	6,130,842	53,519,911	4,317,584	855,308	18,685,960	116,462,944
Total liabilities and fund balances	\$ 36,325,114	\$ 6,859,167	\$ 54,600,811	\$ 5,174,746	\$ 1,096,205	\$ 19,092,882	\$ 123,148,925

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, 2009

Total fund balances - governmental funds \$ 116,462,944

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported as assets in governmental funds. 112,185,768

An internal service fund is used to charge the costs of supplies to the
individual funds. The assets and liabilities of the internal service
fund are included with governmental activities. 11,139,406

Capital assets	\$ 4,644,992
Certificate of participation	(3,981,203)
Other	<u>10,475,617</u>
	<u>11,139,406</u>

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

OPEB liability	(191,350)	
Bonds payable, net of current portion	(47,995,000)	
Current portion of long term debt	(2,301,050)	
Capital leases Payable	(2,786,133)	
Accrued interest Payable (bonds)	(276,380)	
Compensated absences payable, net of current portion	<u>(1,252,917)</u>	
		<u>(54,802,830)</u>

Total net assets - governmental activities \$ 184,985,288

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, 2009

	Major Governmental Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	Fire District Fund	SPLOST County-Wide Roads CIP	SPLOST Roads Unincorporated	EMS District Fund		
Revenues:							
Taxes							
Property taxes	\$ 28,333,294	\$ 7,158,550	\$ -	\$ -	\$ 1,921,091	\$ 214,190	\$ 37,627,125
Sales taxes	8,990,109	-	-	-	-	-	8,990,109
Other taxes	1,041,225	-	-	-	-	-	1,041,225
Special local option sales tax	-	-	12,513,921	2,589,309	-	-	15,103,230
Licenses and permits	414,314	-	-	-	-	-	414,314
Intergovernmental	1,789,362	243,743	-	2,975,587	-	949,091	5,957,783
Charges for services	1,657,680	44,002	-	-	1,424,465	2,008,150	5,134,297
Fines & forfeitures	1,451,245	-	-	-	-	3,842,403	5,293,648
Investment income	363,595	40,701	621,787	106,081	879	102,999	1,236,042
Miscellaneous revenues	330,441	38,825	-	-	10,000	533,363	912,629
Contributions/Donations	20,867	2,281	-	-	-	-	23,148
Total revenues	44,392,132	7,528,102	13,135,708	5,670,977	3,356,435	7,650,196	81,733,550
Expenditures:							
Current:							
General Government	8,424,786	-	-	-	-	-	8,424,786
Judicial System	4,704,491	-	-	-	-	1,104,147	5,808,638
Public Safety	18,240,247	7,406,279	-	-	2,984,877	4,193,337	32,824,740
Public Works	3,720,965	-	-	-	-	279,151	4,000,116
Health and Welfare	726,382	-	-	-	-	-	726,382
Culture/Recreation	1,905,046	-	-	-	-	241,814	2,146,860
Planning & Community Development	1,405,259	-	-	-	-	-	1,405,259
Capital outlay							
General Government	63,011	-	-	-	-	1,747,463	1,810,474
Judicial System	15,006	-	-	-	-	466	15,472
Public Works	11,535	-	4,731,636	2,606,849	-	-	7,350,020
Public Safety	28,933	25,163	-	-	11,894	967,048	1,033,038
Other/Culture/Recreation	3,099	-	-	-	-	66,419	69,518
Intergovernmental	-	-	-	2,975,587	-	-	2,975,587
Debt service - principal	2,132,423	-	-	-	-	-	2,132,423
Debt service - interest	2,704,186	-	-	-	-	-	2,704,186
Paying agent fees/bonds	1,436	-	-	-	-	-	1,436
Total expenditures	44,086,805	7,431,442	4,731,636	5,582,436	2,996,771	8,599,845	73,428,935
Excess (deficiency) of revenues over (under) expenditures	305,327	96,660	8,404,072	88,541	359,664	(949,649)	8,304,615
Other financing sources (uses):							
Transfers in	1,931,913	3,621,817	-	-	-	2,435,811	7,989,541
Transfers out	(988,058)	(1,188)	(677,702)	(383,045)	-	(5,320,271)	(7,370,264)
Proceeds from sale of capital assets	32,627	15,748	97	-	11,123	-	59,595
Total other financing uses	976,482	3,636,377	(677,605)	(383,045)	11,123	(2,884,460)	678,872
Net change in fund balance	1,281,809	3,733,037	7,726,467	(294,504)	370,787	(3,834,109)	8,983,487
Fund balances at the beginning of year	31,671,530	2,397,805	45,793,444	4,612,088	484,521	22,520,069	107,479,457
Fund balances at end of year	\$ 32,953,339	\$ 6,130,842	\$ 53,519,911	\$ 4,317,584	\$ 855,308	\$ 18,685,960	\$ 116,462,944

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, 2009

Total net change in fund balances - governmental funds \$ 8,983,487

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

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

Depreciation expense	(10,206,061)
Capital outlays	6,062,696

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,345,000
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Repayment of lease principal is an expenditure in the capital project funds, but the repayment reduces long-term liabilities in the statement of net assets.	864,217
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The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets.	(73,091)
--	----------

The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets	(29,441)
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Other postemployment expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(191,350)
--	-----------

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid). Vacation and sick earned exceeded amounts paid by this amount.	(46,327)
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The net revenue (expense) of the Internal Service Funds is reported with the Governmental activities.	(1,184,409)
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Long-term debt charges in the statement of activities differs from the amount reported in the governmental funds because charges are recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, charges are recognized as they accrue, regardless of when it is due.	
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Accrued Interest	24,145
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Change in net assets of governmental activities	<u>\$ 5,548,866</u>
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The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2009

ASSETS	Major Enterprise Fund Water System	Non-Major Enterprise Fund Solid Waste	Total	Governmental Activities-Internal Service Funds
Current Assets				
Unrestricted cash	\$ 1,581,840	\$ 1,297,121	\$ 2,878,961	\$ 6,202,475
Restricted cash	11,084,372	-	11,084,372	4,122,067
Prepaid expenses	112,531	-	112,531	6,298
Other receivables, net of allowance for doubtful accounts of \$125,000	1,636,151	13,019	1,649,170	-
Inventory	507,939	-	507,939	-
Total current assets	<u>14,922,833</u>	<u>1,310,140</u>	<u>16,232,973</u>	<u>10,330,840</u>
Non-Current Assets				
Unamortized debt issue costs	305,899	-	305,899	210,548
Capital assets, net of accumulated depreciation				
Land	14,949,619	16,517	14,966,136	-
Land improvements	3,659,998	32,075	3,692,073	-
Infrastructure	52,367,092	-	52,367,092	-
Buildings	25,584,814	13,049	25,597,863	-
Machinery, equipment and vehicles	2,229,354	3,334	2,232,688	4,644,992
Construction in progress	8,767,613	-	8,767,613	-
Total capital assets	<u>107,558,490</u>	<u>64,975</u>	<u>107,623,465</u>	<u>4,644,992</u>
Total Assets	<u>122,787,222</u>	<u>1,375,115</u>	<u>124,162,337</u>	<u>15,186,380</u>
LIABILITIES				
Current Liabilities				
Accounts payable	958,342	18,309	976,651	16,384
Contracts payable	111,244	-	111,244	-
Claims payable	-	-	-	49,387
Accrued interest payable	517,321	-	517,321	-
Salaries and benefits payable	111,723	1,448	113,171	-
Compensated absences	66,189	1,201	67,390	-
Unearned revenue	118,600	-	118,600	-
Current portion of long-term obligations	2,357,955	-	2,357,955	-
Total current liabilities	<u>4,241,374</u>	<u>20,958</u>	<u>4,262,332</u>	<u>65,771</u>
Long-Term Liabilities				
Compensated absences	44,796	1,278	46,074	-
Certificates of Participation	-	-	-	3,981,203
Notes Payable	6,100,796	-	6,100,796	-
Bonds payable	34,595,500	-	34,595,500	-
Long-Term Liabilities, net of current portion	<u>40,741,092</u>	<u>1,278</u>	<u>40,742,370</u>	<u>3,981,203</u>
Total Liabilities	<u>44,982,466</u>	<u>22,236</u>	<u>45,004,702</u>	<u>4,046,974</u>
NET ASSETS				
Invested in capital assets, net of related debt	64,504,239	64,975	64,569,214	4,644,993
Restricted for:				
Renewal & extension	5,333,241	-	5,333,241	-
Debt service	5,751,131	-	5,751,131	4,122,067
Unrestricted	2,216,145	1,287,904	3,504,049	2,372,346
TOTAL NET ASSETS	<u>\$ 77,804,756</u>	<u>\$ 1,352,879</u>	<u>\$ 79,157,635</u>	<u>\$ 11,139,406</u>

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

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

For the fiscal year ended June 30, 2009

	Major Enterprise Fund <u>Water System</u>	Non-Major Enterprise Fund <u>Solid Waste</u>	<u>Total</u>	Governmental Activities - Internal <u>Service Funds</u>
Operating revenues:				
Charges for sales and services	\$ 12,163,599	\$ 109,122	\$ 12,272,721	\$ -
Charges to other funds	-	-	-	316,707
Penalties	117,358	-	117,358	-
Miscellaneous	<u>210,350</u>	<u>-</u>	<u>210,350</u>	<u>91,677</u>
Total operating revenues	<u>12,491,307</u>	<u>109,122</u>	<u>12,600,429</u>	<u>408,384</u>
Operating expenses:				
Personal services	1,806,405	40,215	1,846,620	-
Contractual services	822,475	46,555	869,030	159,590
Other operating	172,347	22,302	194,649	609,859
Water production cost	3,178,617	-	3,178,617	-
Amortization	59,391	-	59,391	11,082
Depreciation	4,435,950	9,465	4,445,415	906,797
Bad debt expense	65,205	-	65,205	-
Closure/post closure care	<u>-</u>	<u>47,083</u>	<u>47,083</u>	<u>-</u>
Total operating expenses	<u>10,540,390</u>	<u>165,620</u>	<u>10,706,010</u>	<u>1,687,328</u>
Operating income (loss)	<u>1,950,917</u>	<u>(56,498)</u>	<u>1,894,419</u>	<u>(1,278,944)</u>
Non-operating activities				
Interest income	124,700	5,850	130,550	188,630
Gain on disposition of equipment	2,605	-	2,605	-
Miscellaneous	86,641	-	86,641	-
Interest expense (including amortization of bond discount)	(2,350,523)	-	(2,350,523)	(28,994)
Loss on disposition of equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,800)</u>
Total non-operating activities	<u>(2,136,577)</u>	<u>5,850</u>	<u>(2,130,727)</u>	<u>85,836</u>
Income before capital contributions and transfers	<u>(185,660)</u>	<u>(50,648)</u>	<u>(236,308)</u>	<u>(1,193,108)</u>
Capital contributions and transfers				
Capital contributions	1,096,917	-	1,096,917	-
Transfers in	-	-	-	8,699
Transfers out	<u>(627,976)</u>	<u>-</u>	<u>(627,976)</u>	<u>-</u>
Total capital contributions and transfers	<u>468,941</u>	<u>-</u>	<u>468,941</u>	<u>8,699</u>
Change in Net Assets	283,281	(50,648)	232,633	(1,184,409)
Net Assets, beginning of year	<u>77,521,475</u>	<u>1,403,527</u>	<u>78,925,002</u>	<u>12,323,815</u>
Net Assets, end of year	<u>\$ 77,804,756</u>	<u>\$ 1,352,879</u>	<u>\$ 79,157,635</u>	<u>\$ 11,139,406</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, 2009

	Major Enterprise Fund Water	Non-Major Enterprise Fund Solid Waste	Enterprise Fund Total	Governmental Activities Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 12,245,568	\$ 103,756	\$ 12,349,324	\$ 325,288
Cash received from others	-	-	-	91,677
Cash payments to suppliers for goods and services	(4,842,880)	(104,488)	(4,947,368)	(159,590)
Cash payments to employees for services	(1,780,075)	(40,247)	(1,820,322)	(544,780)
Net cash provided (used) by operating activities	5,622,613	(40,979)	5,581,634	(287,405)
Cash flows from noncapital financing activities:				
Transfers in from other funds	-	-	-	8,699
Transfers out to other funds	(627,976)	-	(627,976)	-
Net cash provided (used) by noncapital financing activities	(627,976)	-	(627,976)	8,699
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,785,474)	-	(1,785,474)	(730,325)
Capital contributions	157,787	-	157,787	-
Proceeds from sale of equipment	2,605	-	2,605	-
Payment of Interest on Certificates of Participation	-	-	-	(28,994)
Reduction of Certificates of Participation	-	-	-	(1,018,797)
Principal paid on revenue bonds and loans	(2,322,802)	-	(2,322,802)	-
Payment of bond interest and loans	(2,271,221)	-	(2,271,221)	-
Net cash (used) by capital and related financing activities	(6,219,105)	-	(6,219,105)	(1,778,116)
Cash flows from investing activities:				
Interest on investments	124,700	5,850	130,550	188,630
Net cash provided by investing activities	124,700	5,850	130,550	188,630
Net increase in cash and cash equivalents	(1,099,768)	(35,129)	(1,134,897)	(1,868,192)
Cash and cash equivalents at beginning of year	13,765,980	1,332,250	15,098,230	12,192,734
Cash and cash equivalents at end of year	\$ 12,666,212	\$ 1,297,121	\$ 13,963,333	\$ 10,324,542
Classified as:				
Unrestricted cash	1,581,840	1,297,121	2,878,961	6,202,475
Restricted cash	11,084,372	-	11,084,372	4,122,067
	\$ 12,666,212	\$ 1,297,121	\$ 13,963,333	\$ 10,324,542

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, 2009

	<u>Major Enterprise Fund Water</u>	<u>Non-Major Enterprise Fund Solid Waste</u>	<u>Enterprise Fund Total</u>	<u>Governmental Activities Internal Service Funds</u>
Reconciliation of operating income (loss) to cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,950,917	\$ (56,498)	\$ 1,894,419	\$ (1,278,944)
Adjustments to reconcile operating income to Net cash provided by operating activities:				
Depreciation expense	4,435,950	9,465	4,445,415	906,797
Amortization expense	59,391	-	59,391	11,082
Bad debt expense	65,205	-	65,205	-
Decrease/(Increase) in accounts receivable	(279,139)	(5,366)	(284,505)	-
Decrease in Inventory	65,233	-	65,233	-
Increase/(Decrease) in accounts payable	(405,832)	11,452	(394,380)	(6,489)
Increase in salaries and benefits payable	26,330	(32)	26,298	-
Increase in prepaid items	(81,556)	-	(81,556)	52,756
Decrease in contracts payable	(247,286)	-	(247,286)	-
Increase in unearned revenue	33,400	-	33,400	-
Estimated claims payable	-	-	-	27,393
Total adjustments	<u>3,671,696</u>	<u>15,519</u>	<u>3,687,215</u>	<u>991,539</u>
Net cash provided (used) by operating activities	<u>\$ 5,622,613</u>	<u>\$ (40,979)</u>	<u>\$ 5,581,634</u>	<u>\$ (287,405)</u>

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

Fayette County, Georgia

Statement of Fiduciary Assets and Liabilities

June 30, 2009

	<u>Totals</u> <u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>2,686,399</u>
Total Assets	\$ <u>2,686,399</u>
Liabilities	
Due to Others	\$ 2,552,443
Tax Protest/Bankruptcy	<u>133,956</u>
Total Liabilities	\$ <u>2,686,399</u>

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



Where Quality Is A Lifestyle

NOTES TO THE FINANCIAL STATEMENTS

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

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Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

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

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

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity - Continued

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, West
Suite 107
Fayetteville, Georgia 30214

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

Government-wide Financial Statements

Government-wide financial statements (i.e. the statement of net assets and the statement of activities) display information about the reporting government as a whole, except for its fiduciary activities. These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

wide financial statements rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of liability, rather than as an expenditure.

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

Fund Financial Statements

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

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

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

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

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

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

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.

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Financial Statements - Continued

Major governmental funds include:

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

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

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

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

The *SPLOST Roads Unincorporated Capital Projects Fund* accounts for the construction of roads in unincorporated Fayette County. Financing is derived from a 1% Special Purpose Local Option Sales Tax passed by voter referendum on November 2, 2004.

Additionally, the government reports the following fund types:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses for these funds included the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses and capital contributions.

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

Major proprietary funds include:

Water System Fund accounts for the County's water system's operations serving approximately 27,284 customers in unincorporated County and through the System owned distributions in Peachtree City, Tyrone, Woolsey, and parts of Brooks and Fayetteville.

Other proprietary funds include:

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

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

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

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that Fayette County holds for others in an agency capacity. The County's combining statements of Fiduciary Funds are located on pages 85-86. Fayette County's agency funds are:

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

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

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

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

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

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

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

Basis of Presentation

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

Policy for eliminating internal activity from the Statement of Activities

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

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

C. Assets, Liabilities, Equity, and Revenues

1. Deposits and Investments

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

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

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.

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

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

2. Receivables and Payables

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

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

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

Property taxes were levied and billed on September 1, 2008. The billings are considered due upon receipt; however, the actual due date is based on a period ending 60 days after the tax bill mailing or November 15, 2008. On November 16, 2008, 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, 2009, are shown as property taxes receivable at that date. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, have been deferred.

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

3. Inventories and Prepaid Items

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

Major outlays for capital assets and improvements, including infrastructure assets, are capitalized as projects are constructed. Interest incurred during the construction phase of fixed 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 Classifications</u>	<u>Years</u>
Building Improvements	10
Buildings	40
Computer Equipment	5
Infrastructure	15-40
Office Equipment	5
Vehicles	7-15

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

6. Compensated Absences

County employees are granted vacation 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 specified maximum number of hours. In the event of termination of employment, an employee is paid for accrued annual leave days. In addition, regular full-time employees hired before March 1, 1998, with three or more years of service who resign in good standing or retire from service with the County are paid at the rate of \$15 for each day of unused sick leave up to a maximum of \$900. Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, required employers to report a liability for leave earned by employees whenever the following two criteria have been met: (1) the leave relates to past service; and (2) eventual payment to the employee is considered probable. Only those amounts expected to be paid within sixty days of the fiscal year end are reported in the governmental funds. Compensated absences are reported in governmental funds only if they have matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement.)

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

7. Long-term Obligations

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

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

8. Net Assets/Fund Equity

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

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

Fayette County records two general types of reserves. One type (for funds of all types) is used to indicate that a portion of the fund balance or retained earnings is legally segregated for a specific use. An example of this type of reserve is the net excess of restricted assets over liabilities payable from restricted assets shown in the Water

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

System Enterprise Fund. This segregation of fund equity is required by the bond resolutions. The second type of reserve (for a Governmental Fund type) is to indicate that a portion of the fund balance is not appropriable for expenditures. Examples of this type of reserve would be a reservation of fund balance for prepaid items or encumbrances.

9. Capital Contributions

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

In the Solid Waste Enterprise Fund, the County has recorded the transfers of plant, property and equipment (net of depreciation) as capital contributions. In addition, some monies received from the operator of the landfill to help offset the costs of water and methane gas monitoring are also recorded as capital contributions.

NOTE II - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all of the Special Revenue Funds. Operating budgets are not prepared for the Internal Service Funds or the Agency Funds. Expenditures for those funds are controlled by legal use restrictions imposed by ordinances. For administrative control purposes, cash flow budgets are adopted for each of the Enterprise Funds.

Project-length plans are adopted for the Capital Projects Funds. The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

1. In April of each year, all departments submit requests for appropriation to the County Administrator so that an annual operating budget can be prepared. The budget is prepared by fund, function and department, and includes information on the past year, current year estimates and requested appropriation amounts for the next fiscal year.

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE 11 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information - continued

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 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 outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances lapse at year end and are reappropriated on the ensuing year's budget.

Formal budget integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Library SPLOST fund. Individual budgets and actual statements are presented for these funds at the department level. To help ensure that each department keeps their spending during the year within its total approved appropriations amount, certain internal administrative controls are utilized. County Department Heads are authorized to approve budget transfers between the various line items expenditures accounts within their departments. All other transfers or supplemental appropriations, which change the total budget for a departmental cost center, must be approved by the Board of Commissioners. During the 2009 fiscal year, several supplementary appropriations were necessary.

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

	<u>Budget Adjustment</u>	
Increase Revenues	\$	(62,345)
Decrease Expenditures		(206,433)
Increase other financing uses		<u>362,505</u>
Total Net Change	\$	<u><u>93,727</u></u>

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE 11 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information - continued

In the Special Revenue Funds, the following increases (decreases) in appropriations were necessary during the 2009 fiscal year.

<u>Special Revenue Fund</u>	<u>Expenditure</u>
Fire District	\$ 31,768
EMS District	13,000
Grants	4,506
Emergency 911	22,919
Street Lights	56,672
U.S. Customs/Federal Confiscated Monies	2,572,796
Fines and Surcharges	<u>87,486</u>
Total Special Revenue Funds	<u>\$ 2,789,147</u>

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

1. Sinking Fund Requirements

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

During the fiscal year ended June 30, 2009, \$25,273 was paid from the Revenue Fund into the Sinking Fund (including the Debt Service Reserve Account).

2. Debt Service Reserve

The bond resolutions require the creation and maintenance of a Debt Service Reserve within the Sinking Fund. According to the resolutions, monies are to be transferred each month from the Revenue Fund to the reserve in sufficient amounts so that by July 1, 2007 the reserve will at least be equal to the highest combined principal and interest payments on the Revenue Bonds in any succeeding sinking fund year (October 1 to September 30). The minimum amount required for this reserve is \$3,691,665 which represents the debt service for the sinking fund year ended September 30, 2004 (highest combined principal and interest payments). The debt reserve balance at June 30, 2009 is \$3,926,304 the sinking fund balances are \$1,824,827 for a debt service total of \$5,751,131 which is shown as restricted cash 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:

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

B. Debt Service and Sinking Fund Requirements on Water Revenue Bonds- continued

3. Renewal and Extension Fund- continued

- 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).

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

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments

Following is a reconciliation of the County's deposit and investment balances as of June 30, 2009:

	Government-wide Statement of <u>Net Assets</u>	Fiduciary Funds Statement of <u>Net Assets</u>	<u>Total</u>
Unrestricted Cash	\$ 58,341,696	\$ 2,686,399	\$ 61,028,095
Restricted Cash	<u>82,211,602</u>	<u>-</u>	<u>82,211,602</u>
Total	<u>\$ 140,553,298</u>	<u>\$ 2,686,399</u>	<u>\$ 143,239,697</u>

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments- continued

1. Cash Deposits

At June 30, 2009, the carrying amount of the County's deposits were \$143,239,697 and the bank balances were \$147,560,472 of the bank balances, \$1,000,000 was covered by Federal Depository Insurance Corporation and the remaining \$146,560,472 was covered by Temporary Liquidity Guarantee Program or collateral held in the pledging banks' trust department in the County's name. There were no deposits uninsured or uncollateralized at June 30, 2009.

The blended component units' bank balances are presented as part of the governmental activities column on the government wide statement. Fiduciary funds are shown separately see pages 85-86, for a detail of the agency accounts. Fayette County's agency funds are; Tax Commissioner, Sheriff, and Juvenile, Magistrate, Probate, State, and Superior Courts (elected officials of Fayette County).

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

2. Investments

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

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

Georgia Fund 1 (LGIP)	AAA	rated	\$ 106,129,387	24 day Weighted Average Maturity Method
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As of June 30, 2009, the carrying values of the Water System's investments were as follows:

Georgia Fund 1 (LGIP)	AAA	rated	\$ 6,412,154	24 day Weighted Average Maturity Method
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Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

2. Investments
Primary Government's Investment Policy

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

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

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

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

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

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

- | | |
|---|------|
| ● U.S. Treasury Obligations | 100% |
| ● U.S. Government Agency Securities and Securities issued by Instrumentalities of Government Sponsored Corporations | 50% |
| ● Repurchase Agreements | 25% |

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

2. Investments-continued

- 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%

Interest Rate Risk:

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

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

B. Capital Assets

Capital Assets for the County for the fiscal year ended June 30, 2009, are shown in the following tabulation.

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<i>Governmental activities:</i>					
<i>Capital assets not being depreciated:</i>					
Land	\$ 9,070,983	\$ -	\$ -	\$ -	\$ 9,070,983
<i>Capital assets being depreciated:</i>					
Buildings and Structures	68,736,970	4,449,478	-	-	73,186,448
Infrastructure	293,660,182	-	-	-	293,660,182
Improvements other than buildings	8,956,250	594,850	(5,026)	-	9,546,074
Machinery and equipment	13,761,842	719,330	(211,320)	-	14,269,852
Vehicles	893,882	299,038	(144,195)	14,466	1,063,190
Governmental-type assets being depreciated	386,009,126	6,062,696	(360,542)	14,466	391,725,746
<i>Internal service funds being depreciated:</i>					
Equipment	4,040,536	35,312	(224,055)	-	3,851,793
Vehicles	11,235,896	612,429	(670,872)	(31,944)	11,145,509
Internal service fund assets being depreciated	15,276,432	647,741	(894,927)	(31,944)	14,997,302
Total capital assets being depreciated	401,285,558	6,710,437	(1,255,469)	(17,478)	406,723,048
<i>Less accumulated depreciation for:</i>					
Buildings and Structures	14,873,997	2,098,732	-	-	16,972,729
Infrastructure	250,954,719	6,390,729	-	-	257,345,448
Improvements other than buildings	1,701,631	475,755	(5,026)	-	2,172,360
Machinery and equipment	10,796,330	1,113,283	(210,655)	-	11,698,958
Vehicles	394,859	127,562	(115,420)	14,466	421,467
Total General Fund	278,721,536	10,206,061	(331,101)	14,466	288,610,962
<i>Internal Service Fund :</i>					
Machinery and equipment	3,060,417	185,694	(197,341)	-	3,048,770
Vehicles	7,238,165	721,103	(623,785)	(31,944)	7,303,539
Total Internal Service Fund	10,298,582	906,797	(821,126)	(31,944)	10,352,309
Total capital assets being depreciated, net	112,265,440	(4,402,421)	(103,242)	-	107,759,777
<i>Governmental activity capital assets, net</i>					
	\$ 121,336,423	\$ (4,402,421)	\$ (103,242)	\$ -	\$ 116,830,760

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

B. Capital Assets-continued

	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Ending <u>Balances</u>
Business-type activities:					
Water System:					
Land	\$ 14,949,619	\$ -	\$ -	\$ -	\$ 14,949,619
Construction in process	<u>9,520,217</u>	<u>2,168,772</u>	<u>(2,921,376)</u>	<u>-</u>	<u>8,767,613</u>
Total capital assets not being depreciated	24,469,836	2,168,772	(2,921,376)	-	23,717,232
<i>Capital assets being depreciated:</i>					
Buildings and Structures	43,696,154	6,214	-	-	43,702,368
Infrastructure	77,270,236	3,300,613	-	-	80,570,849
Improvements other than buildings	11,097,007	33,168	-	-	11,130,175
Machinery and equipment	<u>8,860,273</u>	<u>171,849</u>	<u>(143,601)</u>	<u>-</u>	<u>8,888,521</u>
Total capital assets being depreciated	140,923,670	3,511,844	(143,601)	-	144,291,913
Less accumulated depreciation for:					
Buildings and Structures	16,528,059	1,589,494	-	-	18,117,553
Infrastructure	26,090,415	2,113,342	-	-	28,203,757
Improvements other than buildings	7,121,996	348,181	-	-	7,470,177
Machinery and equipment	<u>6,417,435</u>	<u>384,933</u>	<u>(143,200)</u>	<u>-</u>	<u>6,659,168</u>
Total accumulated depreciation	<u>56,157,905</u>	<u>4,435,950</u>	<u>(143,200)</u>	<u>-</u>	<u>60,450,655</u>
Total capital assets being depreciated, net	<u>84,765,765</u>	<u>(924,106)</u>	<u>(401)</u>	<u>-</u>	<u>83,841,258</u>
Water System capital assets, net	<u>109,235,601</u>	<u>1,244,666</u>	<u>(2,921,777)</u>	<u>-</u>	<u>107,558,490</u>
Solid Waste:					
Land	<u>16,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,517</u>
<i>Capital assets being depreciated:</i>					
Buildings and Structures	158,499	-	-	-	158,499
Improvements other than buildings	120,170	-	-	-	120,170
Machinery and equipment	<u>64,478</u>	<u>-</u>	<u>-</u>	<u>17,478</u>	<u>81,956</u>
Total capital assets being depreciated	343,147	-	-	17,478	360,625
Less accumulated depreciation for:					
Buildings and Structures	145,010	440	-	-	145,450
Improvements other than buildings	80,450	7,645	-	-	88,095
Machinery and equipment	<u>59,764</u>	<u>1,380</u>	<u>-</u>	<u>17,478</u>	<u>78,622</u>
Total accumulated depreciation	<u>285,224</u>	<u>9,465</u>	<u>-</u>	<u>17,478</u>	<u>312,167</u>
Total capital assets being depreciated, net	<u>57,923</u>	<u>(9,465)</u>	<u>-</u>	<u>-</u>	<u>48,458</u>
Solid Waste capital assets, net	<u>74,440</u>	<u>(9,465)</u>	<u>-</u>	<u>-</u>	<u>64,975</u>
Business-type capital assets, net	<u>\$ 109,310,041</u>	<u>\$ 1,235,201</u>	<u>\$ (2,921,777)</u>	<u>\$ -</u>	<u>\$ 107,623,465</u>

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to functions as follows:

	Current Provision	Accumulated Depreciation
Governmental-type assets:		
General Government	\$ 8,013,358	\$ 274,363,665
Judicial System	14,626	496,651
Public Safety	1,540,466	9,728,749
Public Works	22,484	499,609
Planning & Community Development	8,407	34,309
Parks, Recreation and Culture	606,721	3,487,979
Total Governmental	10,206,061	288,610,962
Internal Service Fund	906,797	10,352,309
Total	\$ 11,112,858	\$ 298,963,271

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

C. Interfund Receivables and Payables

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues.

Interfund transfers for the year ended June 30, 2009 consisted of the following amounts:

Major Governmental Funds Transfers:

Transfers from General Fund		
To:	Non-Major Special Revenue Funds	\$ 628,216
	Non-Major Capital Project Funds	351,143
	Vehicle Replacement Fund	8,699
		<u>\$ 988,058</u>

Transfers from Fire Fund		
To:	Non-Major Capital Project Funds	\$ 1,188

Transfers from SPLOST County-Wide		
To:	General Fund	\$ 677,702

Transfers from SPLOST Unincorporated		
To:	General Fund	\$ 383,045

Non-major Governmental Funds:

Transfers from Non-Major Special Revenue Funds		
To:	General Fund	\$ 2,000
To:	Non-Major Capital Project Funds	25,000
		<u>\$ 27,000</u>

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

C. Interfund Receivables and Payables - continued

Transfers from Non-Major Capital Project Funds		
To: General Fund	\$	241,189
To: Fire Fund		3,621,817
To: Non-Major Capital Project Funds		1,430,265
	\$	<u>5,293,271</u>

Proprietary Funds Transfers

Transfers from Water System and Solid Waste Funds		
To: General Fund - Water System	\$	627,976
	\$	<u>627,976</u>

The purpose of the interfund transfers is to recognize budget funds appropriated for fiscal year 2009 and funds received through donations for specific projects or funds. During fiscal year 2009, amounts totaling \$988,058 were transferred from the General Fund to various other funds. Of that amount, \$351,143 was used to fund Capital Projects.

During fiscal year 2009, the Water System was charged \$627,976 for overhead cost allocation including administration, finance, budgeting, purchasing, information systems, human resources, and marshal services.

D. Leases

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

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

At June 30, 2009, the County was obligated to make payments of principal and interest as follows:

Cost of leased assets	\$	7,933,141
Accumulated depreciation		<u>3,260,974</u>
- Value of assets	\$	<u>4,672,167</u>

Fiscal years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 886,050	\$ 174,271	\$ 1,060,321
2011	907,501	133,372	1,040,873
2012	927,717	90,325	1,018,042
2013	<u>950,915</u>	<u>45,405</u>	<u>996,320</u>
Totals	<u>\$ 3,672,183</u>	<u>\$ 443,373</u>	<u>\$ 4,115,556</u>

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

E. Closure and Postclosure Care Cost

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

Governmental Accounting Standards Board, Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, requires that the County report closure and postclosure care costs as an operating expense in each reporting period based on landfill capacity used at the balance sheet date. With the closing of both of its sanitary landfills prior to June 30, 1994, the Solid Waste Enterprise Fund recognized 100% of the total estimated amount of the closure and postclosure care cost. As of June 30, 2009 the closure and postclosure care liability account had a zero balance. EPD provides estimates of the cost, there is a potential for change due to inflation, deflation technology or applicable laws or regulations.

F. Long-Term Debt

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

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

	<u>Debt</u>
\$10,245,000 Series 1996A, Water Revenue Bonds, due in annual installments of \$25,000 to \$920,000 through October 1, 2020; interest at 3.6% to 5.5%, net of unamortized bond discount of \$1,554, deferred refunding difference of \$75,670.	\$ 2,900,000
\$18,090,000 Series 1998, Water Revenue Bonds, due in annual installments of \$130,000 to \$3,325,000 through October 1, 2028; interest at 3.7% to 5.00%, net of unamortized bond discount of \$64,667, deferred refunding difference of \$443,238.	14,735,000
\$22,670,000 Series 2002, Water Revenue Bonds, due in annual installments of \$50,000 to \$2,250,000 through October 1, 2032; interest at 3.25% to 5.125%, net of unamortized bond discount of \$48,845, deferred refunding difference of \$720,526.	<u>20,125,000</u>
Current Portion and Long Term Portion of Revenue Bonds	<u>\$ 37,760,000</u>

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

F. Long-Term Debt - Continued

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

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

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

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

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS

F. Long-Term Debt - Continued

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2009:

	<u>Balance,</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2009</u>	<u>Current</u> <u>Portion</u>
Series 2000 revenue bonds	\$ 2,310,000	\$ -	\$ 1,125,000	\$ 1,185,000	\$ 1,185,000
Series 2001 refunding revenue bonds	<u>48,445,000</u>	<u>-</u>	<u>220,000</u>	<u>48,225,000</u>	<u>230,000</u>
Total Revenue Bonds	<u>\$ 50,755,000</u>	<u>\$ -</u>	<u>\$ 1,345,000</u>	<u>\$ 49,410,000</u>	<u>\$ 1,415,000</u>

At June 30, 2009, the County was obligated to make payments of principal and interest on the Series 2000 and Series 2001 Fayette County Public Facilities Authority outstanding revenue bond debt as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 1,415,000	\$ 2,428,583	\$ 3,843,583
2011	1,490,000	2,353,978	3,843,978
2012	1,550,000	2,291,398	3,841,398
2013	1,615,000	2,224,748	3,839,748
2014	1,690,000	2,153,688	3,843,688
2015-2019	9,735,000	9,471,164	19,206,164
2020-2024	12,405,000	6,799,000	19,204,000
2025-2029	15,850,000	3,369,500	19,219,500
2030	<u>3,660,000</u>	<u>183,000</u>	<u>3,843,000</u>
Totals	<u>\$ 49,410,000</u>	<u>\$ 31,275,059</u>	<u>\$ 80,685,059</u>

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

At June 30, 2009, \$45,940,000 of outstanding revenue bonds are considered defeased. Fayette County Public Facilities Authority defeased bond amount is \$45,570,000 and the Water System's defeased bonds are \$370,000.

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Debt - Continued

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

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

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

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

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

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

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

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Debt - Continued

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

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

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

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

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

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Debt - Continued

Certificates of Participation. In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's original participation totaling \$5,000,000. However this level of participation was reduced by \$1,018,797 in the current year. The lease pool agreement with the Association provides that the County owns its portion of the assets invested by the pool and is responsible for the payment of its portion of principal and interest of the Certificates of Participation. The principal of \$3,981,203 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year for an annual payment of \$237,500. The County draws 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 semi-annual (and beginning July 1, 2003, 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 this risk, the County executed this agreement with counterparties of appropriate credit strength. As all participants in the lease pool are required to participate in the interest swap agreement in the Swap Counterparty computes the fair value of the Swap Agreement on the aggregate basis only.

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

	Balance	Current Year		Balance
	<u>July 1, 2008</u>	<u>Payments</u>	<u>Additions</u>	<u>June 30, 2009</u>
Governmental Activities				
Public Facilities Authority	\$ 50,755,000	\$ 1,345,000	\$ -	\$ 49,410,000
Certificate of Participation	5,000,000	1,018,797	-	3,981,203
	<u>55,755,000</u>	<u>2,363,797</u>	-	53,391,203
Less: current portion of long term debt				<u>(1,415,000)</u>
				<u>\$ 51,976,203</u>
Business-Type Activities				
Revenue Bonds	39,490,000	1,730,000	-	37,760,000
Less the unamortized portion of				
Refunding difference	(1,335,843)	(96,409)	-	(1,239,434)
Bond discounts	(128,466)	(13,399)	-	(115,067)
GEFA loans	<u>7,241,552</u>	<u>592,801</u>	-	6,648,751
	<u>\$ 45,267,243</u>	<u>\$ 2,212,993</u>	-	43,054,250
Less: current portion of long-term debt				<u>(2,357,955)</u>
				<u>\$ 40,696,295</u>

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE III - DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Long-Term Debt - Continued

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

	Balance, July 1, 2008	Additions	Reductions	Balance, June 30, 2009	Due within One Year
Governmental Activities					
Compensated Absences	\$ 2,148,636	\$ 69,428	\$ -	\$ 2,218,064	\$ 965,147
Revenue Bonds	50,755,000	-	1,345,000	49,410,000	1,415,000
Certificates of Participation	5,000,000	-	1,018,797	3,981,203	-
OPEB liability	-	191,350	-	191,350	-
Capital Leases	4,463,309	53,754	844,880	3,672,183	886,050
Totals	<u>\$ 62,366,945</u>	<u>\$ 123,182</u>	<u>\$ 3,208,677</u>	<u>\$ 59,472,800</u>	<u>\$ 3,266,197</u>
Business-Type Activities					
Compensated Absences	\$ 99,079	\$ 14,385	\$ -	\$ 113,464	\$ 67,390
Loans	7,241,552	-	592,801	6,648,751	547,955
Revenue Bonds and Loans	39,490,000	-	1,730,000	37,760,000	1,810,000
Totals	<u>\$ 46,830,631</u>	<u>\$ 14,385</u>	<u>\$ 2,322,801</u>	<u>\$ 44,522,215</u>	<u>\$ 2,425,345</u>

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

NOTE IV - OTHER INFORMATION

A. Risk Management

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

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

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

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

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

All funds of the County participate in these programs and make payments to these Internal Service Funds based on actuarial estimates of the amounts needed to pay prior and current year claims, claim reserves, and

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I V - OTHER INFORMATION (Continued)

A. Risk Management (Continued)

administrative costs of the programs. The claims liability of \$ 34,497 reported at June 30, 2009, 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 funds' claims liability amounts in fiscal years 2008 and 2009 were as follows:

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

B. Post-employment Healthcare Plan

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

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

At June 30, 2009, the County has eighteen (18) employees eligible for this benefit, there are two retirees receiving medical insurance coverage. The County has not advance funded or established a funding methodology for the annual OPEB costs or net OPEB obligations but finances the plan on a pay-as-you-go basis. For the year ended June 30, 2009 the County paid \$9,293 for this benefit.

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

Normal Cost	\$ 103,281
Interest on normal costs	7,360
Amortization of unfunded actuarial accrued liability	<u>80,709</u>
Annual required contribution	191,350

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I V - OTHER INFORMATION (Continued)

B	<u>Post-employment Healthcare Plan (Continued)</u>	
	Annual required contribution	191,350
	Expected employer benefit payments	-
	Increase in net OPEB obligation	191,350
	Net OPEB obligation, beginning of year	-
	Net OPEB obligation, end of year	\$ 191,350

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

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

The County's actuarial valuation information is as follows:

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

C. Segment Information Enterprise Funds

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

D. Contingent Liabilities

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

Fayette County, Georgia
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

NOTE I V - OTHER INFORMATION (Continued)

D. Contingent Liabilities (Continued)

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

E. Employees' Pension Plan

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

Under the current provisions, the County is required to contribute an amount equal to 4% of each participant's annual compensation. In addition, the County will match contributions made by an employee to the deferred compensation plan on a 1 for 2 basis up to a maximum contribution by the County of 4%. Contributions are calculated and made on a biweekly payroll basis. The Board of Commissioners establishes required contribution and matching percentages.

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

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

F. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Fayette County. The County's membership dues paid to the ARC for the year ended June 30, 2009 were \$107,700. 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 their ARC. Separate financial statements of the ARC may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

G. Subsequent Events

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

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



Where Quality Is A Lifestyle

REQUIRED SUPPLEMENTARY INFORMATION

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

For fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Property taxes	\$ 28,939,000	\$ 28,939,000	\$ 28,337,304	\$ (601,696)
Sales taxes	10,000,000	10,000,000	8,990,109	(1,009,891)
Other taxes	885,000	885,000	1,037,216	152,216
Licenses and permits	686,500	686,500	414,314	(272,186)
Intergovernmental	1,974,608	1,974,608	1,789,362	(185,246)
Charges for services	1,695,750	1,695,750	1,657,680	(38,070)
Fines and forfeitures	1,528,000	1,528,000	1,451,245	(76,755)
Investment Income	1,500,000	1,500,000	363,595	(1,136,405)
Contributions/Donations	3,000	15,649	20,867	5,218
Miscellaneous revenues	189,150	238,846	330,440	91,594
Total revenues	47,401,008	47,463,353	44,392,132	(3,071,221)
Expenditures:				
Current:				
General Government				
Commissioners	588,635	587,503	587,491	12
Administration	294,376	289,099	275,856	13,243
Elections	567,022	741,622	741,384	238
Finance	962,726	940,476	923,310	17,166
Purchasing	246,187	241,249	237,797	3,452
Law Department	206,618	223,340	223,332	8
Information Systems	776,394	765,313	761,301	4,012
Human Resources	521,108	477,866	406,375	71,491
Tax Commissioner	1,073,355	1,061,355	962,737	98,618
Tax Assessor	890,822	878,016	820,008	58,008
Building & Grounds Maintenance	1,839,370	1,830,399	1,695,703	134,696
Engineering Office	442,730	438,590	355,222	83,368
Contingency	500,000	1,506,312	-	1,506,312
Non-Departmental	530,540	497,287	497,281	6
Total General Government	9,439,883	10,478,427	8,487,797	1,990,630
Judicial System				
Judges, Court Reporter	365,024	375,190	375,183	7
Clerk of Superior Court	1,326,450	1,298,222	1,198,057	100,165
District Attorney	345,644	346,824	346,824	-
Clerk of State Court	247,598	247,770	244,551	3,219
State Court Solicitor	353,641	352,141	322,819	29,322
State Court Judge	373,018	363,874	351,167	12,707
Magistrate Court	477,880	478,019	468,931	9,088
Probate Court	361,928	361,442	334,452	26,990
Juvenile Court	325,708	326,124	323,704	2,420
Public Defender	504,952	504,952	504,916	36
Non-Departmental	276,630	264,130	248,894	15,236
Total Judicial System	4,958,473	4,918,688	4,719,498	199,190

Continued

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

For fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Public Safety				
Marshal	806,829	802,529	726,842	75,687
Sheriff's Department	16,352,994	16,320,960	15,852,041	468,919
County Coroner	70,750	68,503	62,725	5,778
Animal Control	380,454	375,679	371,988	3,691
Public Safety & Emergency Management	497,669	489,189	456,062	33,127
Non-Departmental	747,728	801,981	799,523	2,458
Total Public Safety	<u>18,856,424</u>	<u>18,858,841</u>	<u>18,269,181</u>	<u>589,660</u>
Public Works				
Public Works Administration	184,351	186,194	186,187	7
Road Department	4,878,711	3,679,944	3,042,369	637,575
Maintenance & Shop	519,499	519,499	503,942	15,557
Total Public Works	<u>5,582,561</u>	<u>4,385,637</u>	<u>3,732,498</u>	<u>653,139</u>
Health and Welfare				
Department of Physical Health	350,775	350,500	350,500	-
Fayette Counseling Center	133,270	133,270	133,270	-
Department of Family & Children Services	41,800	41,800	41,800	-
Fayette Community Options	63,000	63,000	63,000	-
Senior Citizens Center	117,246	117,246	117,246	-
Youth Protection	20,566	20,566	20,566	-
Total Health and Welfare	<u>726,657</u>	<u>726,382</u>	<u>726,382</u>	<u>-</u>
Culture/Recreation				
Recreation	1,253,950	1,254,345	1,124,539	129,806
Libraries	828,808	829,069	782,539	46,530
Total Culture/Recreation	<u>2,082,758</u>	<u>2,083,414</u>	<u>1,907,078</u>	<u>176,336</u>
Planning & Community Development				
County Extension	135,612	119,122	117,378	1,744
Ga Forestry Commission	2,516	2,516	2,516	-
Permits & Inspections	763,728	753,677	523,449	230,228
Planning & Zoning	480,991	475,321	427,413	47,908
Development Authority	315,094	336,238	335,569	669
Total Planning & Community Development	<u>1,697,941</u>	<u>1,686,874</u>	<u>1,406,325</u>	<u>280,549</u>
Total current expenditures	<u>43,344,697</u>	<u>43,138,263</u>	<u>39,248,759</u>	<u>3,889,504</u>
Debt Service				
Principal payment	2,132,423	2,132,423	2,132,423	-
Interest payments	2,706,415	2,706,416	2,705,622	794
Total debt service	<u>4,838,838</u>	<u>4,838,839</u>	<u>4,838,045</u>	<u>794</u>
Total expenditures	<u>48,183,535</u>	<u>47,977,102</u>	<u>44,086,805</u>	<u>3,890,297</u>

Continued

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

For fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Excess of revenues over expenditures	(782,527)	(513,749)	305,327	819,076
Other financing sources (uses):				
Transfers in-Street Lights	2,000	2,000	2,000	-
Transfers in-Water System	627,976	627,976	627,976	-
Transfers in-SPLOST	-	-	1,060,747	1,060,747
Transfers in-Capital Projects	-	241,189	241,190	1
Transfers out-E911	(384,363)	(384,363)	(384,363)	-
Transfers out-Street Lights	-	(60,000)	(60,000)	-
Transfers out-Warning Sirens	-	(71,800)	(71,800)	-
Transfers out- Victim's Assistance	-	(183,853)	(183,853)	-
Transfer out-Capital Projects	-	(279,342)	(279,343)	-
Transfers out-Vehicle Replacement	-	(8,699)	(8,699)	-
Sale of capital assets	50,000	50,000	32,627	(17,373)
Total other financing sources (uses)	295,613	(66,892)	976,482	1,043,375
Net change in fund balances	(486,914)	(580,641)	1,281,809	1,862,451
Fund balances - beginning	31,671,530	31,671,530	31,671,530	-
Fund balances - ending	\$ 31,184,616	\$ 31,090,889	\$ 32,953,339	\$ 1,862,451

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

For the fiscal year ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Taxes	\$ 7,283,100	\$ 7,283,100	\$ 7,158,551	\$ (124,549)
Charges for services	200,000	200,000	44,002	(155,998)
Intergovernmental	245,000	245,000	243,743	(1,257)
Interest Earned	180,000	180,000	40,701	(139,299)
Donations	-	2,281	2,281	-
Other miscellaneous revenues	<u>44,000</u>	<u>44,000</u>	<u>38,824</u>	<u>(5,176)</u>
Total revenues	7,952,100	7,954,381	7,528,102	(426,279)
Expenditures:				
Current:				
Public safety:				
Fire services	7,439,689	7,473,855	7,406,279	67,576
Capital Outlay:				
Fire services	<u>27,562</u>	<u>25,164</u>	<u>25,163</u>	<u>1</u>
Total expenditures	7,467,251	7,499,019	7,431,442	67,577
Other financing sources (uses):				
Transfers in	-	3,621,817	3,621,817	-
Transfers out	-	(3,519)	(1,188)	2,331
Sales of general fixed assets	<u>-</u>	<u>-</u>	<u>15,748</u>	<u>15,748</u>
Total other financing (uses)	<u>-</u>	<u>3,618,298</u>	<u>3,636,377</u>	<u>18,079</u>
Net change in fund balances	484,849	4,073,660	3,733,037	(340,623)
Fund balances - beginning	<u>2,397,805</u>	<u>2,397,805</u>	<u>2,397,805</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,882,654</u>	<u>\$ 6,471,465</u>	<u>\$ 6,130,842</u>	<u>\$ (340,623)</u>

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

For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 1,913,300	\$ 1,913,300	\$ 1,921,091	\$ 7,791
Charges for services	1,600,000	1,600,000	1,424,464	(175,536)
Intergovernmental	-	-	-	-
Interest Income	1,500	1,500	880	(620)
Other miscellaneous revenues	-	10,000	10,000	-
Total revenues	3,514,800	3,524,800	3,356,435	(168,365)
Expenditures:				
Current:				
Public safety:				
EMS Program	3,098,415	3,100,576	2,984,877	115,699
Capital Outlay:				
Public safety:	8,126	18,965	11,894	7,071
Total expenditures	3,106,541	3,119,541	2,996,771	122,770
Other financing sources (uses):				
Sales of general fixed assets	-	-	11,123	11,123
Total other financing (uses)	-	-	11,123	11,123
Net change in fund balances	408,259	405,259	370,787	(34,472)
Fund balances - beginning	484,521	484,521	484,521	-
Fund balances - ending	\$ 892,780	\$ 889,780	\$ 855,308	\$ (34,472)



Where Quality Is A Lifestyle

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

Fayette County, Georgia

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS AND CAPITAL PROJECT FUNDS

Special Revenue Funds for specific purposes are used to account for revenue sources that are legally restricted to specific expenditures defined by the revenue.

Emergency 911

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

Grants

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

Street Lights Fund

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

Law Enforcement Confiscated Monies (L.E.C.M.)

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

Fine Surcharges

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

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

The County uses the following Capital Project Funds:

Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)

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

Criminal Justice Center Construction

To account for the construction of the criminal justice center.

Kenwood Park Construction

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

Early Warning Siren System

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

General Capital Projects

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

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

June 30, 2009

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Unrestricted cash	\$ 3,646,717	\$ 5,731,294	\$ 9,378,011
Restricted cash	-	9,260,130	9,260,130
Receivables	370,143	33,244	403,387
Prepaid	6,066	39,192	45,258
Taxes (net of allowance for uncollectible accounts)	6,096	-	6,096
Total assets	<u>4,029,022</u>	<u>15,063,860</u>	<u>19,092,882</u>
Liabilities:			
Cash overdraft	12,053	-	12,053
Accounts payable	119,067	149,542	268,609
Contracts payable	-	19,274	19,274
Accrued payroll and withholdings	60,219	-	60,219
Compensated absences payable	35,242	-	35,242
Due to others	48	-	48
Deferred revenue	11,477	-	11,477
Total liabilities	<u>238,106</u>	<u>168,816</u>	<u>406,922</u>
Fund Balances:			
Reserved for:			
Future Expenditures	-	9,425,302	9,425,302
Encumbrances	3,589	-	3,589
Prepays	6,066	39,192	45,258
Unreserved:			
Designated for L.E.C.M. federal/state	2,401,155	-	2,401,155
Designated for law library	18,492	-	18,492
Designated for victim assistance	1,507	-	1,507
Designated for drug abuse	86,145	-	86,145
Designated for juvenile court supervision	75,067	-	75,067
Designated for county jail construction	857,413	-	857,413
Designated for future expenditures	-	-	-
Designated for capital improvements	-	5,430,550	5,430,550
Unreserved, undesignated	341,482	-	341,482
Total fund balances	<u>3,790,916</u>	<u>14,895,044</u>	<u>18,685,960</u>
Total liabilities and fund balances	<u>\$ 4,029,022</u>	<u>\$ 15,063,860</u>	<u>\$ 19,092,882</u>

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

June 30, 2009

	Emergency 911	Grants	Street Lights	Law Enforcement Confiscated Monies (L.E.C.M.)	Fine Surcharges	Total
ASSETS						
Unrestricted cash	\$ 803,965	\$ -	6,153	\$ 2,401,323	\$ 435,276	\$ 3,646,717
Accounts receivable	299,353	26,200	-	-	44,590	370,143
Prepaid items	4,542	-	-	-	1,524	6,066
Taxes (net of allowance for uncollectible accounts)	-	-	6,096	-	-	6,096
Total assets	1,107,860	26,200	12,249	2,401,323	481,390	4,029,022
LIABILITIES AND FUND BALANCES						
Liabilities:						
Cash overdraft	-	12,053	-	-	-	12,053
Accounts payable	32,351	-	-	120	86,596	119,067
Accrued payroll and withholdings	57,486	-	-	-	2,733	60,219
Compensated absences payable	26,732	-	-	-	8,510	35,242
Due to others	-	-	-	48	-	48
Deferred revenues	-	-	11,477	-	-	11,477
Total liabilities	116,569	12,053	11,477	168	97,839	238,106
Fund Balances:						
Reserved for encumbrances	3,589	-	-	-	-	3,589
Reserved for prepaids	4,542	-	-	-	1,524	6,066
Unreserved:						
Designated for L.E.C.M. federal/state	-	-	-	2,401,155	-	2,401,155
Designated for law library	-	-	-	-	18,492	18,492
Designated for victim assistance	-	-	-	-	1,507	1,507
Designated for drug abuse	-	-	-	-	86,145	86,145
Designated for juvenile court supervision	-	-	-	-	75,067	75,067
Designated for working capital	656,597	-	-	-	200,816	857,413
Designated for future expenditures	-	-	-	-	-	-
Designated for capital improvements	-	-	-	-	-	-
Undesignated	326,563	14,147	772	-	-	341,482
Total fund balances	991,291	14,147	772	2,401,155	383,551	3,790,916
Total liabilities and fund balances	\$ 1,107,860	\$ 26,200	\$ 12,249	\$ 2,401,323	\$ 481,390	\$ 4,029,022

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

June 30, 2009

	Criminal Justice Center Construction	SPLOST Library	Kenwood Park Construction	Early Warning Siren System	General Capital Projects	Totals
ASSETS						
Unrestricted cash	\$ 184,853	\$ -	\$ 736,825	\$ 111,200	\$ 4,698,416	\$ 5,731,294
Restricted cash	7,994,545	1,265,585				9,260,130
Other Receivables	-				33,244	33,244
Prepaid	-	39,192				39,192
Total assets	8,179,398	1,304,777	736,825	111,200	4,731,660	15,063,860
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	19,681	-	-	129,861	149,542
Retainage payable	-	-	-	-	19,274	19,274
Deferred revenues	-	-	-	-	-	-
Total liabilities	-	19,681	-	-	149,135	168,816
Fund Balances:						
Reserved for:						
Prepays		39,192				39,192
Future expenditures	8,179,398	1,245,904	-	-	-	9,425,302
Unreserved:						
Designated for capital improvements	-	-	736,825	111,200	4,582,525	5,430,550
Total fund balances	8,179,398	1,285,096	736,825	111,200	4,582,525	14,895,044
Total liabilities and fund balances	\$ 8,179,398	\$ 1,304,777	\$ 736,825	\$ 111,200	\$ 4,731,660	\$ 15,063,860

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

For the fiscal year ended June 30, 2009

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Property taxes	\$ 214,190	\$ -	\$ 214,190
Sales taxes	-	-	-
Intergovernmental	949,091	-	949,091
User charges	2,008,150	-	2,008,150
Fine surcharges	3,842,403	-	3,842,403
Interest income	4,904	98,095	102,999
Other revenue	414,856	118,507	533,363
Total revenues	<u>7,433,594</u>	<u>216,602</u>	<u>7,650,196</u>
Expenditures:			
Current:			
Judicial System	1,104,147	-	1,104,147
Public Safety	4,193,337	-	4,193,337
Public Works	279,151	-	279,151
Parks, Recreation and Culture		241,814	241,814
Capital Outlay:			
General Government	-	1,747,463	1,747,463
Judicial	466	-	466
Public Safety	895,256	71,792	967,048
Public Works	-	-	-
Parks, Recreation and Culture	-	66,419	66,419
Intergovernmental	-	-	-
Total expenditures	<u>6,472,357</u>	<u>2,127,488</u>	<u>8,599,845</u>
Excess (deficiency) of revenues over (under) expenditures	961,237	(1,910,886)	(949,649)
Other Financing sources (uses):			
Transfers in	628,216	1,807,595	2,435,811
Transfers out	<u>(27,000)</u>	<u>(5,293,271)</u>	<u>(5,320,271)</u>
Total other financing sources (uses)	<u>601,216</u>	<u>(3,485,676)</u>	<u>(2,884,460)</u>
Net change in fund balances	<u>1,562,453</u>	<u>(5,396,562)</u>	<u>(3,834,109)</u>
Fund balances - beginning	<u>2,228,463</u>	<u>20,291,606</u>	<u>22,520,069</u>
Fund balances - ending	<u>\$ 3,790,916</u>	<u>\$ 14,895,044</u>	<u>\$ 18,685,960</u>

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

For the fiscal year ended June 30, 2009

	Emergency 911	Grants	Street Lights	Law Enforcement Confiscated Monies (L.E.C.M.)	Fine Surcharges	Total
Revenues:						
Property taxes	\$ -	\$ -	\$ 214,190	\$ -	\$ -	\$ 214,190
Intergovernmental	429,324	32,056	-	-	487,711	949,091
User charges	1,939,953	-	-	-	68,197	2,008,150
Fine surcharges	-	-	-	3,561,200	281,203	3,842,403
Interest income	1,783	-	-	2,903	218	4,904
Other revenue	-	-	-	414,856	-	414,856
Total revenues	2,371,060	32,056	214,190	3,978,959	837,329	7,433,594
Expenditures:						
Current:						
Judicial System	-	4,040	-	-	1,100,107	1,104,147
Public Safety	2,470,073	-	-	1,723,264	-	4,193,337
Public Works	-	-	279,151	-	-	279,151
Capital outlay:						
Judicial System	-	466	-	-	-	466
Public Safety	5,004	-	-	890,252	-	895,256
Public Works	-	-	-	-	-	-
Total expenditures	2,475,077	4,506	279,151	2,613,516	1,100,107	6,472,357
Excess (deficiency) of revenues over (under) expenditures	(104,017)	27,550	(64,961)	1,365,443	(262,778)	961,237
Other financing sources (uses):						
Transfers in	384,363	-	60,000	-	183,853	628,216
Transfers out	-	(25,000)	(2,000)	-	-	(27,000)
Total other financing sources (uses)	384,363	(25,000)	58,000	-	183,853	601,216
Net change in fund balances	280,346	2,550	(6,961)	1,365,443	(78,925)	1,562,453
Fund balances - beginning	710,945	11,597	7,733	1,035,712	462,476	2,228,463
Fund balances - ending	\$ 991,291	\$ 14,147	\$ 772	\$ 2,401,155	\$ 383,551	\$ 3,790,916

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

For the fiscal year ended June 30, 2009

	Criminal Justice Center Construction	SPLOST Library	Kenwood Park Construction	Early Warning Siren System	General Capital Projects	Total Non-Major Capital Project Funds
Revenues:						
Interest income	\$ 32,015	\$ 16,984	\$ 1,907	\$ 95	\$ 47,094	\$ 98,095
Sales tax	-	-	-	-	-	-
Contributions/Donations	-	-	-	-	-	-
Other Revenues	2,402	-	-	-	116,105	118,507
Total revenues	34,417	16,984	1,907	95	163,199	216,602
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Debt Service - Principal	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-
Parks, Recreation and Culture	-	241,814	-	-	-	241,814
Capital outlay:						
Public Safety	-	-	-	71,792	-	71,792
Public Works	-	-	-	-	-	-
Parks, Recreation and Culture	-	64,442	1,977	-	-	66,419
General Government	-	-	-	-	1,747,463	1,747,463
Intergovernmental	-	-	-	-	-	-
Total current expenditures	-	306,256	1,977	71,792	1,747,463	2,127,488
Excess (deficiency) of revenues over (under) expenditures	34,417	(289,272)	(70)	(71,697)	(1,584,264)	(1,910,886)
Other financing sources (uses):						
Transfers in	-	-	-	96,800	1,710,795	1,807,595
Transfers out	-	-	-	-	(5,293,271)	(5,293,271)
Total other financing sources (uses)	-	-	-	96,800	(3,582,476)	(3,485,676)
Net change in fund balances	34,417	(289,272)	(70)	25,103	(5,166,740)	(5,396,562)
Fund balances - beginning	8,144,981	1,574,368	736,895	86,097	9,749,265	20,291,606
Fund balances - ending	\$ 8,179,398	\$ 1,285,096	\$ 736,825	\$ 111,200	\$ 4,582,525	\$ 14,895,044

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

For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ 1,856,975	\$ 1,856,975	\$ 1,939,953	\$ 82,978
Intergovernmental	429,324	429,324	429,324	-
Interest Income	25,000	25,000	1,783	(23,217)
Other Revenue	-	-	-	-
Total revenues	<u>2,311,299</u>	<u>2,311,299</u>	<u>2,371,060</u>	<u>59,761</u>
Expenditures:				
Current:				
Public Safety:				
Emergency Services	2,635,141	2,663,580	2,470,073	193,507
Capital outlay	<u>10,575</u>	<u>5,055</u>	<u>5,004</u>	<u>51</u>
Total expenditures	2,645,716	2,668,635	2,475,077	193,558
Other financing sources (uses):				
Transfers in	384,363	384,363	384,363	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>384,363</u>	<u>384,363</u>	<u>384,363</u>	<u>-</u>
Net change in fund balances	49,946	27,027	280,346	253,319
Fund balances - beginning	<u>710,945</u>	<u>710,945</u>	<u>710,945</u>	<u>-</u>
Fund balances - ending	<u>\$ 760,891</u>	<u>\$ 737,972</u>	<u>\$ 991,291</u>	<u>\$ 253,319</u>

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

For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ 223,000	\$ 223,000	\$ 214,190	\$ (8,810)
Total revenues	<u>223,000</u>	<u>223,000</u>	<u>214,190</u>	<u>(8,810)</u>
Expenditures:				
Current:				
Public Works:				
Street Lights	<u>223,000</u>	<u>279,672</u>	<u>279,151</u>	<u>521</u>
Total expenditures	223,000	279,672	279,151	521
Other financing sources (uses):				
Transfers in	-	60,000	60,000	-
Transfers out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Total other financing uses	<u>(2,000)</u>	<u>58,000</u>	<u>58,000</u>	<u>-</u>
Net change in fund balances	<u>(2,000)</u>	<u>1,328</u>	<u>(6,961)</u>	<u>(8,289)</u>
Fund balances - beginning	<u>7,733</u>	<u>7,733</u>	<u>7,733</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,733</u>	<u>\$ 9,061</u>	<u>\$ 772</u>	<u>\$ (8,289)</u>

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

For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Fines & forfeitures				
Federal funds	\$ -	\$ 3,266,840	\$ 3,266,841	\$ 1
State funds	20,000	20,000	1,051	(18,949)
US Customs funds	-	293,307	293,308	1
Other revenue				
Federal funds	-	412,624	412,624	-
US Customs funds	-	2,231	2,232	-
Interest income	-	2,901	2,903	2
Total revenues	<u>20,000</u>	<u>3,997,903</u>	<u>3,978,959</u>	<u>(18,945)</u>
Expenditures:				
Current:				
Public Safety:				
Investigative Services				
Federal funds	-	1,630,648	1,630,634	14
State funds	49,700	44,200	28,016	16,184
U S Customs	-	8,092	8,088	4
Capital outlay:				
Federal funds	-	902,414	902,409	5
State funds	25,900	31,400	12,727	18,673
U S Customs	-	31,642	31,641	1
Total expenditures	<u>75,600</u>	<u>2,648,396</u>	<u>2,613,516</u>	<u>34,881</u>
Net change in fund balances	(55,600)	1,349,507	1,365,443	15,936
Fund balances - beginning	<u>1,035,712</u>	<u>1,035,712</u>	<u>1,035,712</u>	-
Fund balances - ending	<u>\$ 980,112</u>	<u>\$ 2,385,219</u>	<u>\$ 2,401,155</u>	<u>\$ 15,936</u>

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

For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues:				
Intergovernmental:				
Jail Construction Surcharge	\$ 447,000	\$ 507,170	\$ 507,172	\$ 2
Victim Assistance	172,000	355,853	360,379	4,526
Drug Abuse Education Services	70,000	70,000	55,049	(14,951)
Juvenile Court Supervision	<u>25,000</u>	<u>25,000</u>	<u>30,167</u>	<u>5,167</u>
Total Fine Surcharges	<u>714,000</u>	<u>958,023</u>	<u>952,767</u>	<u>(5,256)</u>
Law Library	<u>57,000</u>	<u>68,413</u>	<u>68,414</u>	<u>1</u>
Total Fees	<u>57,000</u>	<u>68,413</u>	<u>68,414</u>	<u>1</u>
Total revenues	<u>771,000</u>	<u>1,026,436</u>	<u>1,021,181</u>	<u>(5,255)</u>
Expenditures:				
Current:				
Judicial System:				
Juvenile Court Supervision	28,500	28,500	26,360	2,140
Law Library	107,077	107,077	85,562	21,515
Victim Assistance	367,645	367,645	359,279	8,366
Drug Abuse Education Services	54,265	76,554	65,023	11,531
Public Safety:				
Jail Construction Surcharge	500,000	565,197	563,882	1,315
Capital Outlay	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>1,057,987</u>	<u>1,145,473</u>	<u>1,100,106</u>	<u>45,367</u>
Net change in fund balances	(286,987)	(119,037)	(78,925)	40,112
Fund balances - beginning	<u>462,476</u>	<u>462,476</u>	<u>462,476</u>	<u>-</u>
Fund balances - ending	<u>\$ 175,489</u>	<u>\$ 343,439</u>	<u>\$ 383,551</u>	<u>\$ 40,112</u>

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

For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 28,000	\$ 28,466	\$ 466
Juvenile Offenders Grant	-	3,590	3,590	-
Total revenues	-	31,590	32,056	466
Expenditures:				
Current:				
Public Safety	-	450	450	-
Judicial System	-	3,590	3,590	-
Public Safety				
Capital outlay	-	466	466	-
Total expenditures	-	4,506	4,506	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(25,000)	(25,000)	-
Total other financing uses	-	(25,000)	(25,000)	-
Net change in fund balances	-	2,084	2,550	(466)
Fund balances - beginning	11,597	11,597	11,597	-
Fund balances - ending	<u>\$ 11,597</u>	<u>\$ 13,681</u>	<u>\$ 14,147</u>	<u>\$ (466)</u>

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

For the fiscal year ended June 30, 2009

	County Library			Variance Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Interest income	\$ 60,000	\$ 60,000	\$ 16,984	\$ (43,016)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>16,984</u>	<u>(43,016)</u>
Expenditures:				
Current:				
Parks, Recreation and Culture:				
Library Services	240,000	242,500	241,814	686
Capital outlay:				
Intergovernmental	<u>25,693</u>	<u>73,064</u>	<u>64,442</u>	<u>8,622</u>
Total expenditures	<u>265,693</u>	<u>315,564</u>	<u>306,256</u>	<u>9,308</u>
Net change in fund balances	(205,693)	(255,564)	(289,272)	(33,708)
Fund balances - beginning	<u>1,574,368</u>	<u>1,574,368</u>	<u>1,574,368</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,368,675</u>	<u>\$ 1,318,804</u>	<u>\$ 1,285,096</u>	<u>\$ (33,708)</u>

Fayette County, Georgia
 Schedule of Projects Funded through Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)
 Road, Street, and Bridge Purposes
 For the fiscal year ended June 30, 2009

CITIES, TOWNS, AND UNINCORPORATED COUNTY PROJECTS - BY JURISDICTION (30 % Of Total Tax Proceeds)	ORIGINAL COST ESTIMATED	REVISED COST ESTIMATED	PRIOR YEARS EXPENDITURES	CURRENT YEAR EXPENDITURES	PRIOR YEARS INTEREST EARNED	CURRENT YEAR INTEREST EARNED
UNINCORPORATED FAYETTE COUNTY PROJECTS:						
INTERSECTIONS	\$ 2,450,000	\$ 2,450,000	\$ 61,230	\$ 130,630	\$ -	\$ -
ROADWAYS	14,330,767	14,330,767	5,068,432	2,876,264	-	-
INTEREST EARNED	-	-	-	-	343,551	106,082
TOTAL - UNINCORPORATED FAYETTE COUNTY PROJECTS	\$ 16,780,767	\$ 16,780,767	\$ 5,129,662	\$ 3,006,894	\$ 343,551	\$ 106,082
TOWN OF BROOKS PROJECTS:						
TOTAL - TOWN OF BROOKS PROJECTS	\$ 212,019	\$ 212,019	\$ 118,958	\$ 35,095	\$ 51	\$ -
CITY OF FAYETTEVILLE PROJECTS:						
TOTAL - CITY OF FAYETTEVILLE PROJECTS	\$ 4,247,327	\$ 4,247,327	\$ 2,383,052	\$ 703,048	\$ 597	\$ 4
PEACHTREE CITY PROJECTS:						
TOTAL - PEACHTREE CITY PROJECTS	\$ 12,025,984	\$ 12,025,984	\$ 6,747,429	\$ 1,990,628	\$ 1,691	\$ 11
TOWN OF TYRONE PROJECTS:						
TOTAL - TOWN OF TYRONE PROJECTS	\$ 1,491,083	\$ 1,491,083	\$ 836,603	\$ 246,815	\$ 357	\$ 1
TOTAL - CITIES, TOWNS, AND UNINCORPORATED COUNTY PROJECTS	\$ 34,757,180	\$ 34,757,180	\$ 15,215,704	\$ 5,982,480	\$ 346,247	\$ 106,098
COUNTYWIDE PROJECTS (70 % Of Total Tax Proceeds)						
BRIDGES	\$ 3,670,000	\$ 3,670,000	\$ 44	\$ -	\$ -	\$ -
INTERSECTIONS	3,657,400	3,657,400	17,000.00	129,011	-	-
ROADWAYS	67,975,787	67,975,787	2,443,690	5,263,033	-	-
STREETSCAPES/PATHS	5,796,900	5,796,900	729,484	294	-	-
INTEREST EARNED	-	-	-	-	2,893,769	621,787
TOTAL - COUNTY WIDE PROJECTS	\$ 81,100,087	\$ 81,100,087	\$ 3,190,218	\$ 5,392,338	\$ 2,893,769	\$ 621,787
TOTAL - ALL PROJECTS	\$ 115,857,267	\$ 115,857,267	\$ 18,405,922	\$ 11,374,818	\$ 3,240,016	\$ 727,885

PROJECT PREVIOUSLY REPORTED AS UNINCORPORATED FAYETTE COUNTY INTERSECTION PROJECT
 WAS MOVED TO COUNTYWIDE INTERSECTION PROJECT IN FY2009.

Fayette County, Georgia
Schedule of Projects Funded through Special Purpose Local Option Sales Tax (S.P.L.O.S.T.)
Road, Street, and Bridge Purposes
June 30, 2009

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

The tax began April 1, 2005 and will continue through March 31, 2010 or the end of the quarter where the raising of \$115,857,267 is reached, whichever occurs first.

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

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

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

<u>Jurisdiction Name</u>	<u>Population Share</u>
UNINCORPORATED FAYETTE COUNTY	48.28%
TOWN OF BROOKS	0.61%
CITY OF FAYETTEVILLE	12.22%
PEACHTREE CITY	34.60%
TOWN OF TYRONE	<u>4.29%</u>
TOTAL	<u>100.00%</u>

Fayette County, Georgia

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

For the fiscal year ended June 30, 2009

Project	Year Approved	Original Cost Estimated	Expenditures 1993 - 1997	Expenditures 1998 - 2008	Expenditures 2009	Interest Earned	Surplus Funds
Library Construction and Services	November 1992	\$ 4,000,000	\$ 2,131,607	\$ 1,639,728	\$ 306,256	\$ 1,362,687	\$ 1,285,096

The library services S.P.L.O.S.T. revenues have constructed and furnished a 28,000 square foot library at a cost of \$4,077,591. The original project cost was \$4,000,000. The County's stewardship of these funds is evident. The total construction cost closed under budget saving \$228,665 for future library services and programs. The surplus funds of \$1,285,096 will fund library improvements.

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



Where Quality Is A Lifestyle

COMPONENT UNITS

Fayette County, Georgia

COMPONENT UNITS

FAYETTE COUNTY DEVELOPMENT AUTHORITY

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

The Fayette County Board of Commissioners appoints the Authority's governing board. The County provides a substantial portion of the Authority's revenue (\$323,551 in the year ended June 30, 2009). The Authority cannot levy taxes and cannot issue bonded debt without approval of the Fayette County Board of Commissioners.

FAYETTE COUNTY DEPARTMENT OF PUBLIC HEALTH

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

Member	Appointed by:
Robert Horgan	Chief Executive Officer of the governing authority of County or appointee
John Decotis, PhD	County Superintendent of Schools, appointed by Board of Education
Michael Strain, MD, Chair	Physician actively participating, appointed by governing authority of County.
Thomas B, Faulkner, MD, MHA	Consumer or licensed nurse, appointed by Peachtree City
Harold Logsdon	Mayor of Peachtree City, appointed by Peachtree City
Lynette Peterson	Consumer representing the needy, underprivileged, or elderly appointed by governing authority of County (Board of Commissioners).
Lyn Redwood	Consumer representing consumers of Mental Health, Mental Retardation, and substance abuse, appointed by governing authority of County.

The Fayette County Department of Public Health major functions are:

- Promote and encourage healthy behaviors by providing education and counseling.
- Provide preventative health care and educational services to the general public. These services include, but are not limited to, communicable diseases, immunizations, family planning, cancer screening, physical assessments, administering the WIC program, chronic diseases such as diabetes and hypertension, child health, and refugee services.

The Fayette County Department of Public Health adopts annual budgets in accordance with the programmatic requirements as issued by the Georgia Department of Human Resources. Fayette County Department of Public Health receives significant revenue from the Georgia Department of Human Resources. The County appropriates funds annually to cover a portion of its operating cost (\$350,500 in the year ended June 30, 2009).

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

Fayette County, Georgia
Combining Statement of Net Assets
Component Units

June 30, 2009

	Fayette County Department of Public Health	Development Authority	Component Unit Totals
Assets:			
Cash in bank	\$ 648,603	\$ 360,020	\$ 1,008,623
Restricted cash	-	355,291	355,291
Receivables	31,753	-	31,753
Prepaid items	-	7,564	7,564
Restricted Investment	-	602,383	602,383
Capital assets, net of depreciation	<u>28,669</u>	<u>240,492</u>	<u>269,161</u>
Total assets	<u>709,025</u>	<u>1,565,750</u>	<u>2,274,775</u>
Liabilities and net assets			
Liabilities:			
Accounts payable	46,025	21,144	67,169
Accrued expenses	-	-	-
Due in more than one year	90,654	-	90,654
Payable from restricted assets	<u>-</u>	<u>957,674</u>	<u>957,674</u>
Total liabilities	<u>136,679</u>	<u>978,818</u>	<u>1,115,497</u>
Net assets			
Invested in capital assets, net of related debt	28,669	240,492	269,161
Restricted	-	-	-
Unrestricted	<u>543,677</u>	<u>346,440</u>	<u>890,117</u>
Total net assets	<u>\$ 572,346</u>	<u>\$ 586,932</u>	<u>\$ 1,159,278</u>

Fayette County, Georgia
Combining Statement of Activities
Component Units

For the Fiscal Year Ended June 30, 2009

Functions/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Development Authority	\$ 396,059	\$ -	\$ 50,000	\$ (346,059)
Health Department	1,499,003	783,995	686,779	(28,229)
Total Governmental Activities	1,895,062	783,995	736,779	(374,288)
General revenues:				
Investment earnings				2,951
Development Authority				18,401
Health Department				323,551
Payments from Fayette County - Development Authority				32,148
Miscellaneous - Development Authority				377,051
Total general revenues				2,763
Change in net assets				1,156,515
Net assets at beginning of year				1,159,278
Net assets at end of year				\$ 1,159,278



Where Quality Is A Lifestyle

INTERNAL SERVICE FUNDS

Fayette County, Georgia

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies or to other governmental units on a cost-reimbursement basis.

The County uses the following Internal Service Funds:

Worker's Compensation Self-Insurance Fund

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

Dental/Vision Self-Insurance Fund

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

Medical Self-Insurance Fund

The Medical Self-Insurance Fund was established in 1991 to provide resources for payment of employee medical claims, and on June 1, 2002 the County became fully insured. This fund is still maintained in the event the Board of Commissioners decide to self-insure again. The Employee Assistance Program (EAP) cost to the County are recorded in this fund as well as the annual expense for flu shots.

Vehicle Replacement Fund

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

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

June 30, 2009

ASSETS	<u>Self Insurance Fund</u>				<u>Total</u>
	<u>Worker's Compensation</u>	<u>Dental/Vision</u>	<u>Medical</u>	<u>Vehicle Replacement</u>	
Current Assets					
Unrestricted Cash	\$ 1,180,291	\$ 24,219	\$ 1,727,359	\$ 3,270,606	\$ 6,202,475
Restricted Cash	-	-	-	4,122,067	4,122,067
Prepaid Items	6,298	-	-	-	6,298
Accounts receivable	-	-	-	-	-
Total Current Assets	<u>1,186,589</u>	<u>24,219</u>	<u>1,727,359</u>	<u>7,392,673</u>	<u>10,330,840</u>
Noncurrent assets					
Capital assets					
Machinery and equipment	-	-	-	3,851,792	3,851,792
Vehicles	-	-	-	11,145,509	11,145,509
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,997,301</u>	<u>14,997,301</u>
Accumulated depreciation	-	-	-	(10,352,309)	(10,352,309)
Total Capital Assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,644,992</u>	<u>4,644,992</u>
Other assets					
Unamortized Debt Issue Cost	-	-	-	210,548	210,548
Total Assets	<u>1,186,589</u>	<u>24,219</u>	<u>1,727,359</u>	<u>12,248,213</u>	<u>15,186,380</u>
LIABILITIES					
Current Liabilities					
Accounts payable	-	-	567	15,817	16,384
Claims payable	14,595	19,902	14,890	-	49,387
Total current liabilities	<u>14,595</u>	<u>19,902</u>	<u>15,457</u>	<u>15,817</u>	<u>65,771</u>
Long-Term Liabilities					
Certificates of Participation	-	-	-	3,981,203	3,981,203
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,981,203</u>	<u>3,981,203</u>
Total Liabilities	<u>14,595</u>	<u>19,902</u>	<u>15,457</u>	<u>3,997,020</u>	<u>4,046,974</u>
NET ASSETS					
Invested in capital assets	-	-	-	4,644,993	4,644,993
Restricted for debt service	-	-	-	4,122,067	4,122,067
Unrestricted	1,171,994	4,317	1,711,902	(515,867)	2,372,346
Total Net Assets	<u>\$ 1,171,994</u>	<u>\$ 4,317</u>	<u>\$ 1,711,902</u>	<u>\$ 8,251,193</u>	<u>\$ 11,139,406</u>

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

For the fiscal year ended June 30, 2009

	<u>Self Insurance Fund</u>			Vehicle	<u>Total</u>
	<u>Workers' Compensation</u>	<u>Dental/Vision</u>	<u>Medical</u>	<u>Replacement Fund</u>	
Operating Revenues:					
Charges to other funds	\$ -	\$ 316,707	\$ -	\$ -	\$ 316,707
Employee contributions	-	91,677	-	-	91,677
Total Operating Revenues	<u>-</u>	<u>408,384</u>	<u>-</u>	<u>-</u>	<u>408,384</u>
Operating Expenses:					
Claims expense	232,925	376,934	-	-	609,859
Excess insurance purchased	51,874	-	-	-	51,874
Administrator's fees	12,000	28,388	5,193	-	45,581
Other services and charges	32,275	-	2,030	-	34,305
Acquisition of capital assets	-	-	-	27,830	27,830
Amortization expense	-	-	-	11,082	11,082
Depreciation expense	-	-	-	906,797	906,797
Total Operating Expenses	<u>329,074</u>	<u>405,322</u>	<u>7,223</u>	<u>945,709</u>	<u>1,687,328</u>
Operating Income (loss)	(329,074)	3,062	(7,223)	(945,709)	(1,278,944)
Non-Operating Revenues:					
Interest income	8,709	-	10,269	169,652	188,630
Total Non-Operating Revenues	<u>8,709</u>	<u>-</u>	<u>10,269</u>	<u>169,652</u>	<u>188,630</u>
Non-Operating Expenses:					
Interest expense	-	-	-	28,994	28,994
Net Loss on disposition of capital assets	-	-	-	73,800	73,800
Total Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,794</u>	<u>102,794</u>
Income (Loss) Before Transfers	<u>(320,365)</u>	<u>3,062</u>	<u>3,046</u>	<u>(878,851)</u>	<u>(1,193,108)</u>
Transfers from other funds					
General Fund	-	-	-	8,699	8,699
Medical Fund	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-
Fire Fund	-	-	-	-	-
Total Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,699</u>	<u>8,699</u>
Change in net assets	(320,365)	3,062	3,046	(870,152)	(1,184,409)
Total net assets-beginning of year	<u>1,492,359</u>	<u>1,255</u>	<u>1,708,856</u>	<u>9,121,345</u>	<u>12,323,815</u>
Total net assets-end of year	<u>\$ 1,171,994</u>	<u>\$ 4,317</u>	<u>\$ 1,711,902</u>	<u>\$ 8,251,193</u>	<u>\$ 11,139,406</u>

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2009

	Self Insurance Fund			Vehicle Replacement Fund	Totals
	Workers' Compensation	Dental/Vision	Medical		
Cash Flows from Operating Activities:					
Premiums Received from Other Funds	\$ -	\$ 316,707	-	\$ -	\$ 316,707
Premiums Received from Employees	-	91,677	-	-	91,677
Claim Payments	(182,356)	(362,424)	-	-	(544,780)
Receipts from Charges for Services	-	-	8,581	-	8,581
Payments to Suppliers for Goods or Services	(51,874)	-	-	(27,830)	(27,830)
Insurance Purchases	(44,275)	(28,388)	(7,223)	-	(51,874)
Administrative and Other Charges	-	-	-	-	(79,886)
Net Cash Provided by (Used in) Operating Activities	(278,505)	17,572	1,358	(27,830)	(287,405)
Cash Flows from Noncapital Financing Activities:					
Receipts from Equity Transfer from General Fund	-	-	-	8,699	8,699
Receipts from Equity Transfer from Medical Fund	-	-	-	-	-
Receipts from Equity Transfer from Solid Waste Fund	-	-	-	-	-
Receipts from Equity Transfer from Fire Fund	-	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	-	8,699	8,699
Cash Flows from Capital and Related Financing Activities:					
Purchase of Fixed Assets	-	-	-	(730,325)	(730,325)
Reduction of Certificates of Participation	-	-	-	(1,018,797)	(1,018,797)
Payment of Interest on Certificates of Participation	-	-	-	(28,994)	(28,994)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	-	(1,778,116)	(1,778,116)
Cash Flows from Investing Activities:					
Interest on Checking	8,709	-	10,269	169,652	188,630
Net Cash Provided by Investing Activities	8,709	-	10,269	169,652	188,630
Net Increase (Decrease) in Cash and Cash Equivalents	(269,796)	17,572	11,627	(1,627,595)	(1,868,192)
Cash and Cash Equivalents at Beginning of Year	1,450,087	6,647	1,715,732	9,020,268	12,192,734
Cash and Cash Equivalents at End of Year	\$ 1,180,291	\$ 24,219	\$ 1,727,359	\$ 7,392,673	\$ 10,324,542
Classified As:					
Current Assets	\$ 1,180,291	\$ 24,219	\$ 1,727,359	\$ 7,392,673	\$ 10,324,542

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2009

	Self Insurance Fund			Vehicle	
	Workers'		Medical	Replacement Fund	Totals
	Compensation	Dental/Vision	Medical	Replacement Fund	Totals
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities					
Operating Gain (Loss)	\$ (329,074)	\$ 3,062	\$ (7,223)	\$ (945,709)	\$ (1,278,944)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:					
Amortization Expense	-	-	-	11,082	11,082
Depreciation Expense	-	-	-	906,797	906,797
Increase in Current Assets	52,576	-	180	-	52,756
Increase (Decrease) in Current Liabilities:					
Other Payables	-	-	(6,489)	-	(6,489)
Estimated Claims Payable	(2,007)	14,510	14,890	-	27,393
Total Adjustments	50,569	14,510	8,581	917,879	991,539
Net Cash Provided by (Used in) Operating Activities	\$ (278,505)	\$ 17,572	\$ 1,358	\$ (27,830)	\$ (287,405)



Where Quality Is A Lifestyle

FIDUCIARY FUNDS

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

For the fiscal year ended June 30, 2009

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
TAX COMMISSIONER				
Assets				
Cash	\$ 94,694	\$ 175,670,873	\$ 175,238,646	\$ 526,921
Liabilities				
Due to Others	\$ 6,104	\$ 175,587,183	\$ 175,200,322	\$ 392,965
Tax Protest/Bankruptcy/Tax Sale	88,590	83,690	38,324	133,956
Total Liabilities	<u>\$ 94,694</u>	<u>\$ 175,670,873</u>	<u>\$ 175,238,646</u>	<u>\$ 526,921</u>
 SHERIFF				
Assets				
Cash	\$ 150,296	\$ 604,066	\$ 610,467	\$ 143,895
Liabilities				
Due to Others	\$ 150,296	\$ 604,066	\$ 610,467	\$ 143,895
Total Liabilities	<u>\$ 150,296</u>	<u>\$ 604,066</u>	<u>\$ 610,467</u>	<u>\$ 143,895</u>
 SUPERIOR COURT				
Assets				
Cash	\$ 1,520,963	\$ 4,575,081	\$ 4,717,997	\$ 1,378,047
Liabilities				
Due to Others	\$ 1,520,963	\$ 4,575,081	\$ 4,717,997	\$ 1,378,047
Total Liabilities	<u>\$ 1,520,963</u>	<u>\$ 4,575,081</u>	<u>\$ 4,717,997</u>	<u>\$ 1,378,047</u>
 STATE COURT				
Assets				
Cash	\$ 340,080	\$ 2,368,942	\$ 2,169,288	\$ 539,734
Liabilities				
Due to Others	\$ 340,080	\$ 2,368,942	\$ 2,169,288	\$ 539,734
Total Liabilities	<u>\$ 340,080</u>	<u>\$ 2,368,942</u>	<u>\$ 2,169,288</u>	<u>\$ 539,734</u>

Continued on next page.

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

For the fiscal year ended June 30, 2009

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
MAGISTRATE COURT				
Assets				
Cash	\$ 67,415	\$ 461,206	\$ 461,339	\$ 67,282
Liabilities				
Due to Others	\$ 67,415	\$ 461,206	\$ 461,339	\$ 67,282
Total Liabilities	<u>\$ 67,415</u>	<u>\$ 461,206</u>	<u>\$ 461,339</u>	<u>\$ 67,282</u>
 JUVENILE COURT				
Assets				
Cash	\$ 11,755	\$ 160,036	\$ 162,326	\$ 9,465
Liabilities				
Due to Others	\$ 11,755	\$ 160,036	\$ 162,326	\$ 9,465
Total Liabilities	<u>\$ 11,755</u>	<u>\$ 160,036</u>	<u>\$ 162,326</u>	<u>\$ 9,465</u>
 PROBATE COURT				
Assets				
Cash	\$ -	\$ 303,638	\$ 282,584	\$ 21,054
Liabilities				
Due to Others	\$ -	\$ 303,638	\$ 282,584	\$ 21,054
Total Liabilities	<u>\$ -</u>	<u>\$ 303,638</u>	<u>\$ 282,584</u>	<u>\$ 21,054</u>
 TOTALS-ALL FIDUCIARY FUNDS				
Assets				
Cash	\$ 2,185,203	\$ 184,143,842	\$ 183,642,646	\$ 2,686,399
Liabilities				
Due to Other agencies or funds	\$ 2,096,613	\$ 184,060,152	\$ 183,604,322	\$ 2,552,443
Tax Protest/Bankruptcy/Tax Sale	<u>88,590</u>	<u>83,690</u>	<u>38,324</u>	<u>133,956</u>
Total Liabilities	<u>\$ 2,185,203</u>	<u>\$ 184,143,842</u>	<u>\$ 183,642,646</u>	<u>\$ 2,686,399</u>



Where Quality Is A Lifestyle

STATISTICAL SECTION
"Unaudited"

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	89
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	95
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	99
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	105

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

	Fiscal Year Ended June 30						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 346,856	\$ 8,402,602	\$ 12,626,621	\$ 11,881,854	\$ 61,331,911	\$ 66,118,115	\$ 63,748,577
Restricted	1,463,122	1,291,320	4,643,916	9,369,988	9,206,066	11,656,300	71,384,864
Unrestricted	74,027,281	65,245,850	66,600,723	82,196,989	94,252,175	101,662,007	49,851,847
Total governmental activities net assets	\$ 75,837,259	\$ 74,939,772	\$ 83,871,260	\$103,448,831	\$164,790,152	\$179,436,422	\$184,985,288
Business-type activities							
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
Restricted	8,844,631	9,817,295	11,095,278	11,073,367	12,661,526	12,010,175	11,084,372
Unrestricted	4,874,309	4,272,575	3,329,148	4,355,880	4,172,974	2,872,031	3,504,049
Total business-type activities net assets	\$ 68,762,305	\$ 69,627,114	\$ 72,041,414	\$ 74,357,503	\$ 77,962,508	\$ 78,925,002	\$ 79,157,635
Primary government							
Invested in capital assets, net of related debt	\$ 55,390,221	\$ 63,939,846	\$ 70,243,609	\$ 70,810,110	\$122,459,919	\$130,160,911	\$128,317,791
Restricted	10,307,753	11,108,615	15,739,194	20,443,355	21,867,592	23,666,475	82,469,236
Unrestricted	78,901,590	69,518,425	69,929,871	86,552,869	98,425,149	104,534,038	53,355,896
Total primary government net assets	\$144,599,564	\$144,566,886	\$155,912,674	\$177,806,334	\$242,752,660	\$258,361,424	\$264,142,923

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

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

	For the Fiscal Year Ended June 30						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Primary government:							
General government	\$ 13,082,785	\$ 15,045,408	\$ 8,734,408	\$ 13,589,479	\$ 13,217,872	\$ 19,913,322	\$ 15,816,215
Judicial	3,878,507	8,727,224	4,336,761	4,677,929	5,401,526	5,650,814	5,800,998
Public safety	23,806,488	21,690,558	25,422,795	29,331,567	31,310,184	31,978,900	34,914,755
Public works	5,037,712	5,228,876	4,611,615	5,433,833	15,643,667	7,673,140	13,866,560
Health and welfare	641,558	598,801	819,266	689,879	705,001	719,934	726,382
Culture and recreation	1,728,369	2,006,950	1,774,572	1,871,303	7,418,659	1,058,911	2,208,201
Planning and community development	1,501,851	1,463,997	1,435,272	1,460,636	1,555,478	1,392,864	1,418,307
Interest on long-term debt and fiscal charges	3,301,823	4,231,058	3,152,414	3,156,175	3,043,276	3,375,326	2,717,850
Total governmental activities expenses	52,979,093	58,992,872	50,287,103	60,210,801	78,295,663	71,763,211	77,469,268
Business-type activities							
Water System	12,101,616	12,358,203	12,411,434	12,394,341	13,036,293	12,635,303	12,890,913
Solid Waste	158,423	147,731	149,197	121,420	138,082	160,688	165,620
Total business-type activities expenses	12,260,039	12,505,934	12,560,631	12,515,761	13,174,375	12,795,991	13,056,533
Total primary government expenses	\$ 65,239,132	\$ 71,498,806	\$ 62,847,734	\$ 72,726,562	\$ 91,470,038	\$ 84,559,202	\$ 90,525,801
Program revenues							
Primary government:							
Charges for services and fines:							
General government	\$ 597,872	\$ 651,272	\$ 1,296,466	\$ 521,225	\$ 940,273	\$ 1,424,473	\$ 1,090,531
Judicial	2,878,715	2,502,618	2,584,575	2,597,880	2,362,746	2,401,949	2,607,184
Public safety	3,317,936	4,043,766	4,162,141	5,267,301	5,233,571	4,352,712	7,222,617
Public works	-	-	413,361	438,362	10,076	8,001	5,928
Culture and recreation	151,825	201,582	218,950	189,840	186,265	222,459	211,795
Planning and community development	28,870	51,983	582,363	665,972	672,849	60,755	20,910
Operating grants and contributions	34,616	129,527	85,068	808,590	5,600	20,582	23,148
Total governmental activities program revenues	7,009,834	7,580,748	9,342,924	10,489,170	9,411,380	8,490,931	11,182,113
Business-type activities							
Water System	13,309,711	13,066,192	14,292,413	14,692,715	16,251,262	13,580,406	13,588,224
Solid Waste	158,097	201,068	128,705	141,413	361,200	85,380	109,122
Total business-type activities program revenues	\$ 13,467,808	\$ 13,267,260	\$ 14,421,118	\$ 14,834,128	\$ 16,612,462	\$ 13,665,786	\$ 13,697,346
Total Primary government program revenues	\$ 20,477,642	\$ 20,728,420	\$ 23,764,042	\$ 25,323,298	\$ 26,023,842	\$ 22,156,717	\$ 24,879,459

(continued)

FAYETTE COUNTY, GEORGIA

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

	For the Fiscal Year Ended June 30						
	2003	2004	2005	2006	2007	2008	2009
Net (expenses)/revenues							
Governmental activities	\$ (45,969,259)	\$ (51,412,124)	\$ (40,944,179)	\$ (49,721,631)	\$ (68,884,283)	\$ (63,272,280)	\$ (66,287,155)
Business-type activities	1,207,769	641,738	1,860,487	2,318,367	3,438,087	869,796	640,813
Total primary government net expense	<u>(44,761,490)</u>	<u>(50,770,386)</u>	<u>(39,083,692)</u>	<u>(47,403,264)</u>	<u>(65,446,196)</u>	<u>(62,402,483)</u>	<u>(65,646,342)</u>
General Revenues and Other Changes in Net Assets							
Primary government:							
Taxes							
Property taxes	24,338,916	32,538,816	30,178,341	32,103,630	33,238,968	37,601,739	37,627,125
Sales taxes	7,889,458	8,737,301	9,092,061	10,296,451	10,654,218	10,313,833	8,990,109
Other taxes	9,685,832	2,915,465	2,495,302	2,874,588	2,966,242	960,291	1,041,225
Special Purpose Local Option Sales Taxes	-	-	3,242,853	16,676,100	17,711,729	20,462,347	15,103,230
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
Gain on sale of capital assets	60,867	26,103	86,466	20,511	61,996	132,620	59,595
Investment earnings	907,363	749,668	1,916,256	3,194,159	5,186,857	4,149,265	1,424,672
Miscellaneous	611,946	905,114	982,332	663,405	1,077,945	817,807	1,004,306
Transfers	-	-	557,420	589,904	607,179	596,940	627,976
Total governmental activities	<u>\$ 47,489,948</u>	<u>\$ 50,634,225</u>	<u>\$ 49,875,667</u>	<u>\$ 69,299,202</u>	<u>\$ 74,651,252</u>	<u>\$ 77,918,545</u>	<u>\$ 71,836,021</u>
Business-type activities:							
Gain on sale of capital assets	105,840	15,000	700	12,582	-	6,192	2,605
Investment earnings	198,300	88,478	253,588	550,275	747,261	572,483	130,550
Miscellaneous	147,503	5	428,093	24,769	26,836	110,963	86,641
Transfers	-	-	(557,420)	(589,904)	(607,179)	(596,940)	(627,976)
Total business-type activities	<u>\$ 451,643</u>	<u>\$ 103,483</u>	<u>\$ 124,961</u>	<u>\$ (2,278)</u>	<u>\$ 166,918</u>	<u>\$ 92,698</u>	<u>\$ (408,180)</u>
Total primary government	<u>\$ 47,941,591</u>	<u>\$ 50,737,708</u>	<u>\$ 50,000,628</u>	<u>\$ 69,296,924</u>	<u>\$ 74,818,170</u>	<u>\$ 78,011,248</u>	<u>\$ 71,427,841</u>
Change in Net Assets							
Governmental activities	\$ 1,520,689	\$ (777,899)	\$ 8,931,488	\$ 19,577,571	\$ 5,766,969	\$ 14,646,270	\$ 5,548,866
Business-type activities	1,659,412	745,221	1,985,448	2,316,089	3,605,005	962,494	232,633
Total primary government	<u>\$ 3,180,101</u>	<u>\$ (32,678)</u>	<u>\$ 10,916,936</u>	<u>\$ 21,893,660</u>	<u>\$ 9,371,974</u>	<u>\$ 15,608,764</u>	<u>\$ 5,781,499</u>

Data for the last seven years is being reported.

FAYETTE COUNTY, GEORGIA

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
"Unaudited"

	Fiscal Year Ended June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 655,779	\$ 623,651	\$ 547,720	\$ 296,610	\$ 403,077	\$ 212,473	\$ 168,270	\$ 887,824	\$ 106,725	\$ 1,023,783
Unreserved	17,764,014	23,121,241	21,833,565	24,363,075	26,722,824	28,346,527	29,267,067	30,239,612	31,564,804	31,929,556
Total General Fund	\$ 18,419,793	\$ 23,744,892	\$ 22,381,285	\$ 24,659,685	\$ 27,125,901	\$ 28,559,000	\$ 29,435,337	\$ 31,127,436	\$ 31,671,529	\$ 32,953,339
All Other Governmental Funds										
Reserved	\$ 1,215,114	\$ 1,120,087	\$ 1,628,367	\$ 6,882,395	\$ 2,018,237	\$ 36,871	\$ 23,324	\$ 4,380,356	\$ 6,199,702	\$ 67,316,833
Unreserved, reported in:										
Special revenue funds	3,958,738	4,631,127	4,682,878	5,116,075	7,012,090	12,211,096	8,918,364	8,853,559	4,687,541	10,762,222
Capital projects funds	57,840,933	52,309,217	32,930,874	21,480,488	16,618,700	16,677,312	39,863,830	48,351,826	64,920,684	5,430,550
Total All Other Governmental Funds	\$ 63,014,785	\$ 58,060,431	\$ 39,242,119	\$ 33,478,958	\$ 25,649,027	\$ 28,925,279	\$ 48,805,518	\$ 61,585,741	\$ 75,807,927	\$ 83,509,605
Total Governmental Funds	\$ 81,434,578	\$ 81,805,323	\$ 61,623,404	\$ 58,138,643	\$ 52,774,928	\$ 57,484,279	\$ 78,240,855	\$ 92,713,177	\$ 107,479,456	\$ 116,462,944

FAYETTE COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

"Unaudited"

	Fiscal Year Ending June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 30,561,372	\$ 36,176,148	\$ 40,066,861	\$ 41,028,475	\$ 43,529,775	\$ 45,085,843	\$ 62,441,421	\$ 65,113,592	\$ 68,867,738	\$ 62,761,689
Licenses and permits	704,397	666,359	729,437	405,163	535,467	745,967	841,083	856,102	698,374	414,314
Intergovernmental	1,035,360	1,989,619	3,237,852	3,590,403	4,226,290	4,677,370	2,880,454	3,398,318	2,883,703	5,957,783
Charges for services	-	-	-	4,686,386	4,847,003	4,727,117	5,070,445	5,192,711	4,729,453	5,134,297
Fines and forfeitures	1,943,572	2,107,730	2,252,351	2,096,707	2,303,760	2,193,837	3,239,194	3,124,534	2,757,345	5,293,648
Investment income	-	-	-	2,081,945	592,460	1,222,210	2,697,022	4,452,242	3,688,800	1,236,042
Contributions	-	-	-	34,616	9,939	39,875	808,590	896,329	20,582	23,148
Miscellaneous	4,456,643	8,751,074	8,505,515	446,196	546,676	990,392	656,057	5,600	733,744	912,629
Total revenues	38,701,344	49,690,930	54,792,016	54,369,891	56,591,370	59,682,611	78,636,266	83,039,428	84,379,739	81,733,550
Expenditures										
General government	4,266,266	\$ 4,295,242	\$ 4,441,482	\$ 6,962,277	\$ 7,433,934	\$ 7,754,982	\$ 7,942,522	\$ 8,037,744	\$ 8,165,598	\$ 8,424,786
Judicial	3,021,851	3,237,992	3,294,422	3,779,507	4,020,094	4,290,835	4,619,714	5,370,540	5,674,771	5,808,638
Public safety	15,720,103	17,820,547	19,643,429	22,709,542	24,002,693	24,832,261	26,516,676	29,628,121	30,946,091	32,824,740
Public works	5,315,261	5,533,761	6,365,787	4,800,697	4,828,440	4,599,815	5,187,982	4,781,461	4,657,639	4,000,116
Health and welfare	577,352	441,826	575,413	641,558	637,974	819,266	689,879	705,001	719,934	726,382
Culture and recreation	1,267,068	1,473,895	1,396,527	1,532,083	1,751,545	1,551,419	1,768,694	1,902,937	2,070,906	2,146,860
Planning & community development	725,519	662,757	833,499	1,489,053	1,460,306	1,442,581	1,438,092	1,552,728	1,429,689	1,405,259
Capital Outlay	4,254,583	6,068,223	29,953,560	18,378,722	11,768,883	4,025,652	3,903,023	12,090,140	8,654,396	10,278,522
Intergovernmental	53,646	45,614	-	-	-	-	-	-	3,174,938	2,975,587
Debt service:	1,322,017	4,814,264	8,748,709	-	-	-	-	-	-	-
Principal retirement	-	-	-	1,010,000	1,676,902	1,758,656	1,849,800	1,937,428	2,031,612	2,132,423
Interest and fiscal charges	-	-	-	2,831,957	3,156,311	3,074,266	2,989,997	2,899,990	2,804,831	2,704,186
Paying agent fees/bonds	-	-	-	-	1,175	1,175	2,225	1,671	1,546	1,436
Total expenditures	36,523,656	44,394,121	75,252,828	64,135,406	60,738,257	54,151,108	56,908,604	68,907,761	70,331,951	73,428,935
Excess (deficiency) of revenues over expenditures	2,177,688	5,296,809	(20,460,812)	(9,765,515)	(4,146,887)	5,531,503	21,727,662	14,131,667	14,047,788	8,304,615
(Continued)										
Debt Service as a percentage of noncapital expenditures	4.3%	14.4%	23.9%	9.2%	11.0%	10.7%	10.1%	9.3%	9.0%	8.7%

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

	Fiscal Year Ending June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other financing sources (uses)										
Proceeds from capital lease	\$ 5,322,984	\$ 994,004	\$ 6,410,418	\$ 7,760,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	(6,100,749)	(7,355,886)	(6,542,566)	(5,119,771)	(3,731,835)	(5,945,258)	(7,879,484)	(6,594,904)	(11,271,927)	(7,370,264)
Transfers out	987,046	784,951	11,512	60,867	24,004	86,466	20,511	61,996	132,620	59,595
Proceeds from sale of capital assets	55,041,342	-	50,068,507	-	-	-	-	-	-	-
Proceeds of Revenue Bonds	-	-	(49,668,976)	-	-	-	-	-	-	-
Payment to Refund Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Proceeds of Refunding Certificates	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Certificates Escrow Agent	-	-	-	-	-	-	-	-	-	-
Beginning Fund Balance Restated	-	650,867	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Total of other financing sources (uses)	\$ 55,250,623	\$ (4,926,064)	\$ 278,893	\$ 6,280,754	\$ (1,216,828)	\$ (822,152)	\$ (971,066)	\$ 340,655	\$ 718,492	\$ 678,872
Net change in fund balance	\$ 57,428,311	\$ 370,745	\$ (20,181,919)	\$ (3,484,761)	\$ (5,363,715)	\$ 4,709,351	\$ 20,756,576	\$ 14,472,322	\$ 14,766,279	\$ 8,983,487

FAYETTE COUNTY, GEORGIA
PROPERTY TAX LEVIES, COLLECTIONS AND
LOCAL OPTION SALES TAX PROCEEDS
Last Ten Calendar Years
"Unaudited"

Levy Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Collection of Prior Years Taxes	Total Tax Collection	Ratio of Total Tax Collections To Total Tax Levy	Outstanding Delinquent Tax	Ratio of Delinquent Tax To Total Tax Levy	Local Option Sales Tax Proceeds (1)
2000	77,931,212	75,671,207	97.10%	1,577,140	\$77,248,348	99.12%	2,300,138	2.95%	7,133,732
2001	87,653,979	85,883,758	97.98%	1,113,078	\$86,996,837	99.25%	2,039,677	2.33%	7,542,051
2002	98,318,458	95,804,711	97.44%	1,231,744	\$97,036,456	98.70%	2,666,609	2.71%	8,058,581
2003	98,383,520	106,593,238	108.34%	1,391,020	\$107,984,259	109.76%	3,930,126	3.99%	7,889,458
2004	108,827,457	106,001,805	97.40%	1,448,920	\$107,450,726	98.73%	4,011,248	3.69%	8,737,001
2005	118,001,735	114,100,400	96.69%	1,557,474	\$115,657,875	98.01%	3,629,115	3.08%	9,092,061
2006	124,459,002	121,851,632	97.91%	2,131,166	\$123,982,798	99.62%	3,727,920	3.00%	13,155,414
2007	133,958,330	131,657,606	98.28%	2,016,370	\$133,673,976	99.79%	3,813,117	2.85%	10,654,218
2008	144,974,057	138,257,418	95.37%	1,568,262	\$139,825,680	96.45%	3,527,833	2.43%	10,313,833
2009	154,107,697	149,091,541	96.75%	2,804,678	\$151,896,219	98.56%	5,131,263	3.33%	8,990,109

(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)
 "Unaudited"

Year	Real Property		Personal Property		Privately Owned Public Utilities		Total Property		Freepor- Homestead Exemption	Net Assessed Value	Total Direct Tax Rate	Ratio Total Assessed Value to Total True Value
	Assessed Valued	Estimated True Value	Assessed Valued	Estimated True Value	Assessed Valued	Estimated True Value	Assessed Valued	Estimated True Value				
2000	2,188,484	5,471,210	576,575	1,441,438	51,610	129,025	2,816,669	7,041,673	201,423	2,615,246	\$ 32.99	40.00%
2001	2,487,551	6,218,878	629,262	1,573,155	55,367	138,418	3,172,180	7,930,451	220,621	2,951,559	\$ 32.97	40.00%
2002	2,769,201	6,923,001	676,250	1,690,626	57,599	143,998	3,503,050	8,757,625	236,391	3,266,659	\$ 32.45	40.00%
2003	3,096,054	7,740,135	686,184	1,715,461	61,966	154,916	3,844,204	9,610,512	235,677	3,608,527	\$ 31.71	40.00%
2004	3,379,741	8,449,353	675,928	1,689,820	62,756	156,890	4,118,425	10,296,063	235,057	3,883,368	\$ 32.20	40.00%
2005	3,714,393	9,285,983	667,973	1,669,933	64,305	160,762	4,446,671	11,116,678	236,660	4,210,011	\$ 31.58	40.00%
2006	4,139,511	10,348,778	322,690	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%

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

FAYETTE COUNTY, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (rate per \$1,000 of assessed value)
 "Unaudited"

	Fiscal Year Ended June 30									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Fayette County Unincorporated	5.21	6.56	6.64	6.19	5.87	5.42	5.19	4.89	5.43	5.94
Fayette County Board of Education	23.53	22.38	21.78	21.69	22.69	22.68	22.35	22.15	22.15	23.92
Fire District	4.00	3.78	3.78	3.58	3.39	3.23	3.09	2.91	2.00	1.99
EMS District	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.55	0.55
State	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total	32.99	32.97	32.45	31.71	32.20	31.58	30.88	30.19	30.38	32.10

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

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
NCR Corporation	\$ 31,901,923	1	0.62%	\$ 38,144,112	1	1.35%
Inland Southeast Fayette I & II	31,027,200	2	0.56%			
Inland Southeast Fayette III	22,646,940	3	0.41%			
Coweta Fayette EMC	19,571,691	4	0.36%	10,249,933	7	0.36%
Bellsouth Telecommunication	14,284,425	5	0.26%			
Matsushita Communication Corp	13,212,738	6	0.24%	19,396,764	3	0.69%
AMLI Residential Properties	12,683,400	7	0.23%	7,420,800	10	0.26%
Atlanta Gas Light Company	11,188,307	8	0.20%			
Hoshizaki America Inc	10,397,343	9	0.19%	18,612,588	4	0.66%
Georgia Power Company	10,166,458	10	0.18%			
Summit Properties Partnership	9,865,200					
Alcan Packaging-Atlanta	9,835,582					
TDK/Electronic Corporation	-			17,754,822	5	0.63%
Photocircuits Corporation	-			22,691,446	2	0.81%
Fasson Roll Division	-			12,030,837	6	0.43%
PB Leasing Corporation	-					
Fourth Quarter Properties	-			7,933,200	9	0.28%
Lawson Mardon Packaging Co.	-			9,268,929	8	0.33%
Totals	\$ 196,781,207		3.43%	\$ 154,234,502		5.80%
Total taxable assessed value	\$ 5,506,961,516			\$ 2,816,669,000		

Source: Fayette County Tax Commissioner

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

FAYETTE COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
"Unaudited"

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds Lease Purchase Obligations	Certificate of Participation	Capital Lease Obligations	Water Revenue Bonds					
2000	\$ -	\$ 55,250,000	\$ 5,000,000	\$ 5,674,840	46,470,000	\$	112,394,840	3.45%	1,220.24	
2001	-	54,330,000	5,000,000	4,415,000	45,365,000		109,110,000	3.09%	1,154.79	
2002	-	57,590,000	5,000,000	7,760,000	44,210,000		106,800,000	2.97%	1,107.47	
2003	-	56,580,000	5,000,000	7,138,098	47,145,000		116,485,000	3.17%	1,178.56	
2004	-	55,525,000	5,000,000	6,484,442	45,735,000		113,398,098	2.91%	1,119.06	
2005	-	54,420,000	5,000,000	5,799,642	44,270,000		110,174,442	2.74%	1,085.46	
2006	-	53,255,000	5,000,000	5,082,214	42,740,000		106,794,642	2.58%	1,029.84	
2007	-	52,035,000	5,000,000	4,463,309	41,150,000		103,267,214	2.40%	990.59	
2008	-	50,755,000	5,000,000	3,672,183	39,490,000		99,708,309	2.34%	946.00	
2009	-	49,410,000	3,981,203		37,760,000		94,823,386	2.11%	889.15	

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

FAYETTE COUNTY, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009
 "Unaudited"

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Fayette County Board of Education (a)	\$ 105,720,800	100%	\$ 105,720,800
Peachtree City (b)	5,990,000	100%	5,990,000
Subtotal, overlapping debt			111,710,800
Fayette County Public Facilities Authority	49,410,000	100%	49,410,000
Total direct and overlapping debt			<u>\$ 161,120,800</u>

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

(b) Data provided by Peachtree City Finance Office.

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

FAYETTE COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
"Unaudited"

	Fiscal Year Ended June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 281,666,900	\$ 317,218,000	\$ 350,305,000	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 281,666,900	\$ 317,218,000	\$ 350,305,000	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for
Fiscal Year 1997

Assessed value	\$2,816,669,000	\$3,172,180,000	\$3,503,050,000	\$3,844,204,000	\$4,118,425,000	\$4,446,671,000	\$4,526,958,000	\$4,851,527,000	\$5,506,961,000	\$5,304,379,000
Debt limit (10% of assessed value)	281,666,900	317,218,000	350,305,000	384,420,400	411,842,500	444,667,100	452,695,800	485,152,700	550,696,100	530,437,900
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount set aside for repayment of General obligation debt	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 281,666,900	\$ 317,218,000	\$ 350,305,000	\$ 384,420,400	\$ 411,842,500	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 550,696,100	\$ 530,437,900

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

FAYETTE COUNTY, GEORGIA
 FAYETTE COUNTY WATER SYSTEM
 REVENUE BOND COVERAGE
 LAST TEN FISCAL YEARS
 "Unaudited"

	Fiscal Year Ended June 30, 2009									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gross Revenues (1)	\$ 11,150,765	\$ 10,942,013	\$ 11,272,140	\$ 11,046,078	\$ 11,550,276	\$ 11,887,582	\$ 12,463,488	\$ 13,542,989	\$ 12,285,527	\$ 12,491,307
Operating Expenses (1)	3,981,842	4,596,143	4,508,066	5,000,024	5,570,037	5,697,835	5,298,587	5,879,900	5,793,108	6,104,440
Net Revenue Available for Debt Service (2)	7,168,923	6,345,870	6,764,074	6,046,054	5,980,239	6,189,747	7,164,901	7,663,089	6,492,419	6,386,867
Debt Service Payments	3,560,873	3,583,492	3,553,872	3,242,372	3,654,175	3,648,231	3,650,154	3,644,350	3,645,224	3,641,311
Coverage	2.01	1.77	1.90	1.86	1.64	1.70	1.96	2.10	1.78	1.75

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

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

FAYETTE COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS "Unaudited"

Fiscal Year	Population (1)	Personal Income		Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
		(amounts expressed in thousands) (2)	Per Capita Personal Income			
2000	92,109	\$ 3,262,000	\$ 35,415	38.2	19,320	2.3%
2001	94,485	\$ 3,533,000	\$ 37,392	38.5	19,833	1.9%
2002	96,436	\$ 3,593,000	\$ 37,258	38.8	20,817	3.0%
2003	98,837	\$ 3,675,000	\$ 37,182	38.9	21,239	3.0%
2004	101,333	\$ 3,895,000	\$ 38,438	39	21,624	2.9%
2005	101,500	\$ 4,016,000	\$ 39,567	39	22,338	4.6%
2006	103,700	\$ 4,136,000	\$ 39,884	39	22,513	4.3%
2007	104,248	\$ 4,259,600	\$ 40,860	40	22,214	4.0%
2008	105,400	\$ 4,266,407	\$ 40,691	40	22,108	5.4%
2009	106,465	\$ 4,484,620	\$ 42,384	40	22,047	5.7%

(1) Source: United States Census

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

(3) Source: United States Census

(4) Source: Fayette County Board of Education

(5) Source: Georgia Department of Labor

FAYETTE COUNTY, GEORGIA
Principal Employers
Current Year
"Unaudited"

Employer	2009		
	Employees	Rank	Percentage of Total County Employment
Panasonic	1,200	1	2.28%
Piedmont Fayette Hospital	930	2	1.77%
Cooper Lighting	650	3	1.23%
NCR	550	4	1.04%
Hoshizaki America, Inc	425	5	0.81%
World Airways	275	6	0.52%
TDK Components	210	7	0.40%
APAC - Georgia	200	8	0.38%
FAA Tracon	190	9	0.36%
Alenco, Inc	181	10	0.34%
Total	4,630		8.79%

Source: Development Authority of County

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

Function	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	106	108	107	107	107	113	113	120	125	124
Judicial	44	44	45	50	50	53	54	58	58	58
Public Safety	5	5	5	5	5	5	6	6	6	7
Animal Control	3	3	3	3	3	3	3	3	3	3
Coroner	27	30	30	30	30	30	30	36	36	36
Emergency 911	18	24	24	34	34	37	41	45	47	47
Emergency Services	83	86	86	90	90	93	97	99	105	105
Fire	10	10	10	10	10	10	10	12	12	12
Marshal	141	149	149	215	212	214	216	217	230	230
Sheriff	287	307	307	387	384	392	403	418	439	439
Total Public Safety	47	47	47	47	47	49	47	49	50	51
Public Works	62	65	65	66	65	61	62	62	62	63
Roads	22	22	22	22	22	19	20	20	21	21
Water System	14	14	14	19	19	17	17	18	19	19
Planning & Development	2	2	2	2	2	-	1	1	1	1
Culture and Recreation	584	609	609	700	695	704	717	746	775	777
Solid Waste Management	2	2	2	2	2	-	1	1	1	1
Total	584	609	609	700	695	704	717	746	775	777

Source: Fayette County Human Resources Department

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

FUNCTION	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Number of Registered Voters	55,878	58,909	60,422	62,730	63,637	67,851	70,000	71,000	71,000	75,967
Number of Parcels assessed	34,700	36,121	37,643	38,110	39,194	39,194	40,348	41,709	42,000	42,479
Judicial										
Civil cases	569	620	771	1,443	1,543	1,570	n/a	1,120	1,875	2,341
Criminal cases	699	593	526	844	816	825	n/a	903	875	872
Firearms licenses	926	786	686	765	902	969	1,256	838	893	937
Juvenile cases filed	1,765	1,795	1,655	1,750	1,948	2,025	2,100	2,007	2,500	1,961
Marriage licenses	600	594	610	719	666	699	1,100	633	697	641
Passports	1,490	988	925	613	310	251	360	261	288	665
Real estate instruments filed	25,049	32,229	38,715	48,903	34,152	35,125	n/a	33,193	30,500	18,449
Public Safety										
Average daily jail population	210	225	234	246	226	217	220	228	228	261
Burning permits (2)	11,508	12,103	12,250	12,302	13,586	15,161	12,700	15,161	0	0
Emergency response activity	5,021	5,103	5,051	5,021	5,792	6,463	6,250	6,418	6,418	6,613
Fire/EMS dispatch (1)	8,899	9,082	9,239	9,239	10,625	10,874	11,589	n/a	11,970	12,010
Law enforcement dispatch (1)	38,364	39,451	51,372	51,372	44,827	46,070	46,737	n/a	n/a	n/a
Traffic tickets written	5,200	5,303	7,403	2,189	1,765	2,546	2,650	2,450	1,425	5,624
Public Works										
Number of vehicles serviced	171	191	191	200	195	220	196	198	194	340
Street maintenance (Miles)	231	457	464	466	466	475	478	510	601	687
Water production (million gallons per day)	2,860	2,941	2,917	2,719	8.7	9.0	9.1	7.9	8.9	8.5
Water System Customers	21,595	22,362	23,395	24,096	25,071	26,057	26,945	26,935	27,800	27,234
Planning & Development										
Building permits issued	964	737	829	773	918	833	800	743	750	292
Culture & Recreation										
Monthly circulation of library materials	27,000	38,093	40,000	42,581	24,954	25,997	27,083	27,083	26,867	26,832
Number of programs and classes offered	229	201	190	189	377	341	350	327	315	398
Reference questions answered monthly	55,000	74,392	8,333	7,500	7,750	7,917	8,083	8,083	8,167	8,145

(1) Totals not available for 2007

(2) Department no longer keeping counts

Source: Fayette County Budget Document

Source: Department statistical data

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

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
County Office Buildings	1	1	1	1	1	1	1	1	1	1
Senior Citizens Center									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	n/a	n/a	n/a	160	160	155	162
Fire Stations	8	9	9	9	9	9	9	9	9	9
Public Works										
Miles of County Maintained Roads	230.8	456.6	463.6	466.1	465.6	474.5	478.2	510.0	601.6	687.0
Miles of Road Resurfacing	26.5	27.1	30.8	27	49.5	38.9	33.24	33.24	55.4	26.2
Culture and Recreation										
Park Acreage	359	359	359	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	1	1	2	2	2	2	2	2	2	2

(1) Information not available for years 2000 through 2005.

Source: Fayette County Fixed Asset Records and Department Heads