



Where Quality Is A Lifestyle

FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2010



Where Quality Is A Lifestyle

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June 30, 2010

Prepared by
County Finance Office



Where Quality Is A Lifestyle

INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL

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

LISTING OF PRINCIPAL OFFICERS

ORGANIZATIONAL CHART

Fayette County, Georgia

Comprehensive Annual Financial Report
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Where Quality Is A Lifestyle

December 30, 2010

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, 2010, 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 106,788 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 27,493 customers in the unincorporated areas of the County and through the County owned distribution systems in the City of Peachtree City and the Towns of Brooks, Tyrone and Woolsey. The Water System also wholesales water to the City of Fayetteville pursuant to a wholesale water contract which expires in 2034.

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

Government Structure, Local Economic Condition and Outlook

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

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

The economic condition and outlook for Fayette County remains stable. The net assessment of property in the County has increased 0.5% from \$5,431,100,479 in 2008 to \$5,457,605,221 in 2009. The unemployment rate at June 30, 2010 was 8.6 percent compared to the State average of 10.0 percent.

Collections from sales taxes within Fayette County increased during fiscal year 2010. The local option sales taxes were \$9.6 million for 2010, a 7% increase over last year's collections. The special local option sales tax for road infrastructure improvements totaled \$12.3 million for fiscal year 2010.

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

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

Accounting and Budgetary Controls

Management of Fayette County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide

reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

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

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

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, U.S. Government securities and repurchase agreements. At June 30, 2010, 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 \$0.8 million on all investments of the governmental and proprietary types for the year ended June 30, 2010.

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, 2010, all of

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

Risk Management

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

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

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Nichols, Cauley & Associates LLC was selected by Fayette County to perform the June 30, 2010 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, 2009. The County has received this award for each of the last seventeen 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 2010.

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,

A handwritten signature in black ink, appearing to read "Jack Krakeel".

Jack Krakeel
County Administrator

A handwritten signature in black ink, appearing to read "Mary S. Holland".

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, 2009

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, 2010

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 Attorney

Scott Bennett

County Purchasing Agent

Tim Jones

Clerk of Courts

Sheila Studdard

Probate Court Judge

Ann Jackson

Sheriff

Wayne Hannah

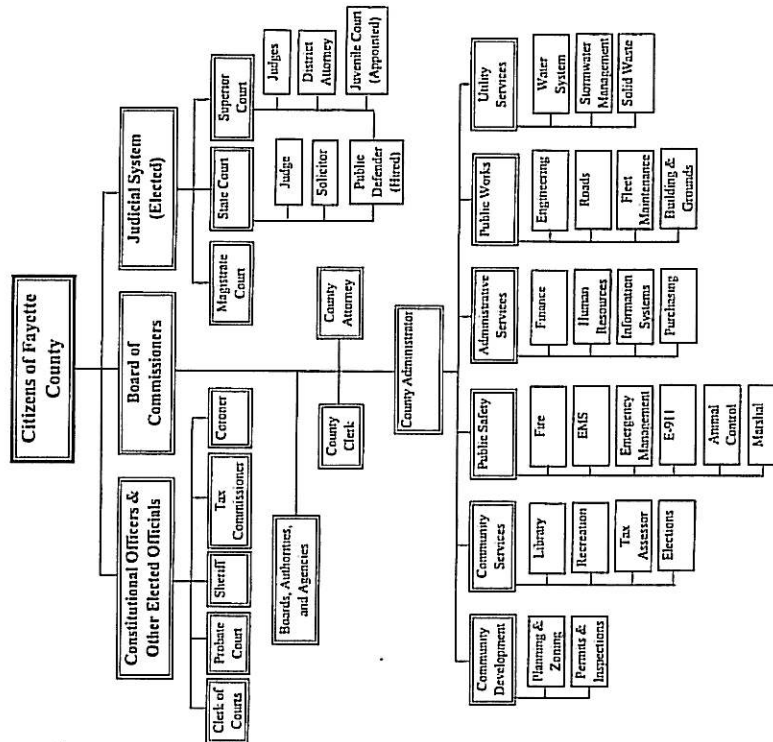
Tax Commissioner

George Wingo

Auditors

Nichols, Cauley & Associates, LLC

FAYETTE COUNTY, GEORGIA ORGANIZATIONAL CHART





Where Quality Is A Lifestyle

FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS



NICHOLS, CAULEY & ASSOCIATES, LLC

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Certified Public Accountants
Certified Internal Auditors
Certified Government Auditing Professionals
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Certified Valuation Analysts

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Atlanta, Georgia 30329
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fayette County, Georgia, (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fayette County Department of Public Health and the Fayette County Development Authority, the discretely presented component units of the County. Those financial statements, were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fayette County Department of Public Health and the Fayette County Development Authority is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fayette County, Georgia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Fayette County Board of Commissioners
Fayette County, Georgia

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 16, and the Required Supplementary Information on pages 56 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally 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 nonmajor fund financial statements, internal service funds, fiduciary funds, statistical section and the Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (as required by Section 48-8-121 of the Official Code of Georgia annotated) are presented for purposes of additional analysis and are not part of the basic financial statements. The combining and individual nonmajor fund financial statements, internal service funds, fiduciary funds and the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Richels, Cauley + Associates, LLC

Atlanta, Georgia
December 10, 2010

Fayette County, Georgia

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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, 2010. Management encourages readers to consider the information presented here in conjunction with additional information we have included in our letter of transmittal, which can be found on pages v-x in the introductory section of this report and the Government's financial statements following.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fayette County Development Authority
200 Courthouse Square
Fayetteville, Georgia 30214

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

Financial Highlights

- The assets of Fayette County Governmental Activities exceeded its liabilities at June 30, 2010 by \$184,707,096 (net assets). Of this amount, \$51,871,452 is unrestricted net assets. Fayette County's Business-type Activities exceeded its liabilities at June 30, 2010 by \$79,158,706 (net assets). Of this amount, \$16,880,892 is unrestricted net assets. The Primary Government's total unrestricted net assets is \$68,752,344 and may be used to meet the County's ongoing obligations to citizens and creditors.

| Fayette County's Net Assets | | | | | | |
|--|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business Type Activities | | Primary Government | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$ 138,786,327 | \$ 133,690,313 | \$ 32,902,024 | \$ 16,538,872 | \$ 171,688,351 | \$ 150,229,185 |
| Capital assets | 109,178,603 | 116,830,760 | 107,060,463 | 107,623,465 | 216,239,066 | 224,454,225 |
| Total assets | <u>247,964,930</u> | <u>250,521,073</u> | <u>139,962,487</u> | <u>124,162,337</u> | <u>387,927,417</u> | <u>374,683,410</u> |
| Long-term liabilities | 57,519,433 | 59,472,800 | 57,851,211 | 43,167,715 | 115,370,644 | 102,640,515 |
| Other liabilities | 5,738,401 | 6,062,985 | 2,952,570 | 1,836,987 | 8,690,971 | 7,899,972 |
| Total liabilities | <u>63,257,834</u> | <u>65,535,785</u> | <u>60,803,781</u> | <u>45,004,702</u> | <u>124,061,615</u> | <u>110,540,487</u> |
| Invested in capital assets, net of related debt | 58,397,470 | 63,748,577 | 49,359,571 | 64,569,214 | 107,757,041 | 128,317,791 |
| Restricted | 74,438,174 | 71,384,864 | 12,918,243 | 11,084,372 | 87,356,417 | 82,469,236 |
| Unrestricted | 51,871,452 | 49,851,847 | 16,880,892 | 3,504,049 | 68,752,344 | 53,355,896 |
| Total net assets | <u>\$ 184,707,096</u> | <u>\$ 184,985,288</u> | <u>\$ 79,158,706</u> | <u>\$ 79,157,635</u> | <u>\$ 263,865,802</u> | <u>\$ 264,142,923</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, 2010, the County's assets exceeded liabilities by \$263,865,802 or a decrease of \$277,121, a 0.1% decrease from 2009.

Governmental activities total net assets had a decrease due to a number of factors. One factor was the 1 percent decrease in total assets largely due to a 6.5 percent decrease in capital assets. Additionally, total liabilities decreased 3.4 percent, even with an increase in the OPEB liability recognized as a result of new reporting standards of GASB 45, due to a greater reduction in bonds payable and certificate of participation payable. Business-type activities had an increase in net assets as a result of increased revenues from a slight rate increase.

The following summarizes the components of the County's net assets at June 30, 2010 for the primary government.

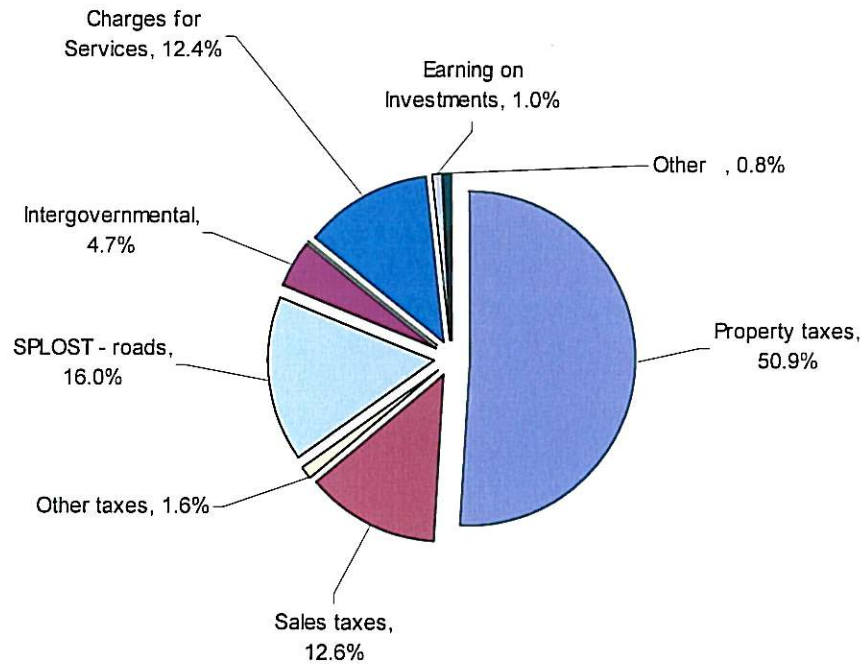
Fayette County's investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any outstanding related debt used to acquire the asset and accumulated depreciation, equals 40.8 percent of net assets. The County uses these capital assets to provide services to citizens 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 \$87,356,417 (or 33.1 percent of net assets), and unrestricted net assets of \$68,752,344 (or 26 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.

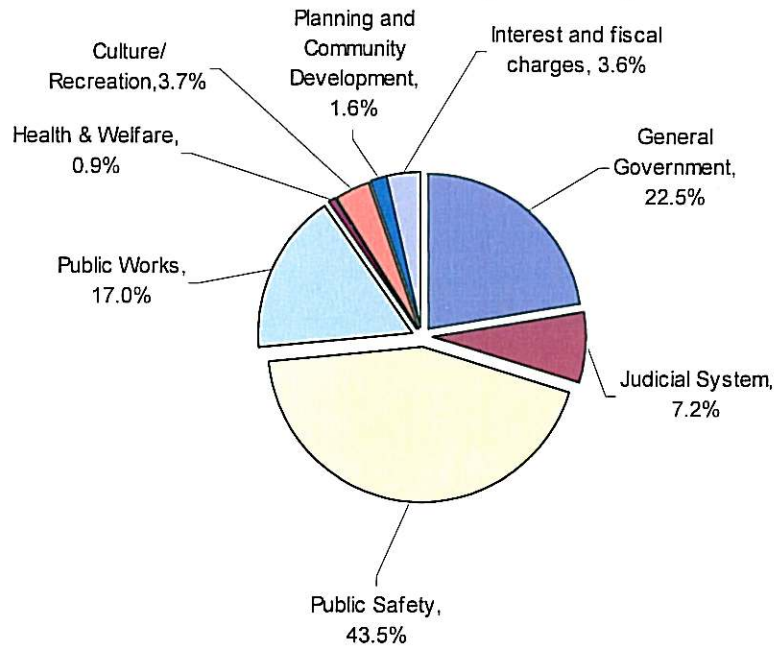
Fayette County's Statement of Activities and Changes in Net Assets

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|--------------------------------------|------------------------------------|-----------------------|-------------------------------------|----------------------|-------------------------------------|-----------------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 9,487,475 | \$ 11,158,965 | \$ 13,464,962 | \$ 12,600,429 | \$ 22,952,437 | \$ 23,759,394 |
| Operating grants and contributions | 31,935 | 23,148 | - | - | 31,935 | 23,148 |
| Capital grants and contributions | - | - | 418,363 | 1,096,917 | 418,363 | 1,096,917 |
| General revenues: | | | | | | |
| Property taxes | 39,052,755 | 37,627,125 | - | - | 39,052,755 | 37,627,125 |
| Sales taxes | 9,635,056 | 8,990,109 | - | - | 9,635,056 | 8,990,109 |
| SPLOST-roads | 12,254,894 | 15,103,230 | - | - | 12,254,894 | 15,103,230 |
| Other taxes | 1,224,064 | 1,041,225 | - | - | 1,224,064 | 1,041,225 |
| Earning and investments | 764,894 | 1,424,672 | 30,456 | 130,550 | 795,350 | 1,555,222 |
| Intergovernmental | 3,654,944 | 5,957,783 | - | - | 3,654,944 | 5,957,783 |
| Other | 582,153 | 1,063,901 | 46,850 | 89,246 | 629,003 | 1,153,147 |
| Total revenues | <u>76,688,170</u> | <u>82,390,158</u> | <u>13,960,631</u> | <u>13,917,142</u> | <u>90,648,801</u> | <u>96,307,300</u> |
| Expenses: | | | | | | |
| General government | 17,477,463 | 15,816,215 | - | - | 17,477,463 | 15,816,215 |
| Judicial | 5,607,459 | 5,800,998 | - | - | 5,607,459 | 5,800,998 |
| Public safety | 33,801,423 | 34,914,755 | - | - | 33,801,423 | 34,914,755 |
| Public works | 13,183,402 | 13,866,560 | - | - | 13,183,402 | 13,866,560 |
| Health and welfare | 695,438 | 726,382 | - | - | 695,438 | 726,382 |
| Culture and recreation | 2,869,310 | 2,208,201 | - | - | 2,869,310 | 2,208,201 |
| Planning and development | 1,260,287 | 1,418,307 | - | - | 1,260,287 | 1,418,307 |
| Interest and fiscal charges | 2,785,637 | 2,717,850 | - | - | 2,785,637 | 2,717,850 |
| Water system | - | - | 13,083,162 | 12,890,913 | 13,083,162 | 12,890,913 |
| Solid waste | - | - | 162,341 | 165,620 | 162,341 | 165,620 |
| Total expenses | <u>77,680,419</u> | <u>77,469,268</u> | <u>13,245,503</u> | <u>13,056,533</u> | <u>90,925,922</u> | <u>90,525,801</u> |
| Excess (deficiency) before transfers | (992,249) | 4,920,890 | 715,128 | 860,609 | (277,121) | 5,781,499 |
| Transfers in | 714,057 | 627,976 | - | - | 714,057 | 627,976 |
| Transfers out | - | - | (714,057) | (627,976) | (714,057) | (627,976) |
| Total transfers | <u>714,057</u> | <u>627,976</u> | <u>(714,057)</u> | <u>(627,976)</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net assets | (278,192) | 5,548,866 | 1,071 | 232,633 | (277,121) | 5,781,499 |
| Net assets, beg. of year | 184,985,288 | 179,436,422 | 79,157,635 | 78,925,002 | 264,142,923 | 258,361,424 |
| Net assets, end of year | <u>\$ 184,707,096</u> | <u>\$ 184,985,288</u> | <u>\$ 79,158,706</u> | <u>\$ 79,157,635</u> | <u>\$ 263,865,802</u> | <u>\$ 264,142,923</u> |

Governmental Activities Revenue by Source



Governmental Activities Expenses by Function



As of June 30, 2010, Fayette County's total governmental funds reported combined ending fund balances of \$122,282,974, an increase of \$5,820,030 or 5 percent in comparison with the previous fiscal year. More information on this increase can be found in the individual fund sections starting below. Approximately 41.4 percent or \$50,666,846 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, \$71,616,128, 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 \$119,260.

- The debt of Fayette County decreased by \$1,415,000 the principal payment of the Fayette County Public Facilities Authority during the current fiscal year.
- Fayette County's capital lease debt decreased by \$886,050 for fiscal year 2010.
- The Certificates of Participation in the GMA Lease Pool were reduced by \$761,203.
- The maintenance and operations property tax rates of the General Fund, Fire Fund and the EMS Fund were not changed from FY 2010 to FY 2009:

| Fund | M&O Tax Rate | M&O Tax Rate |
|---------|--------------|--------------|
| | FY 2010 | FY 2009 |
| General | 5.400 | 5.400 |
| Fire | 1.991 | 1.991 |
| EMS | 0.548 | 0.548 |

Fund Financial Information

Major Governmental Funds

General Fund

The General Fund is the chief operating fund of the County. At June 30, 2010 the unreserved fund balance in the General Fund was \$34,675,209, which is designated as follows: for emergencies (\$2,000,000), working capital (\$11,252,251), future expenditures (\$87,300) and capital improvements (\$13,887,140). The remaining unreserved fund balance of \$7,448,518 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 80.3 percent of total General Fund expenditures, while total fund balance represents 81.1 percent of that same amount.

The overall fund balance of the County's General Fund increased by \$2,040,364 during the current fiscal year compared to FY2009's figure of \$1.3 million. Operations contributed \$1.58 of the \$2 million increase. This increase in revenue over expenditures was the result of increased sales tax revenue receipts and reductions in operating expenditures. The reductions in expenditures were made to ensure fiscal health in the uncertain economic climate.

Net transfers contributed \$.46 million to the overall increase in the General Fund. Net transfers in the prior year were \$1 million.

General Fund Budgetary Highlights

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

During fiscal year 2010, actual revenue in the General Fund was \$603,367 more than final budgetary estimates. Sales taxes came in \$236,486 stronger than anticipated. Also, the other taxes were \$352,014 higher than final budget estimates. Investment income was lower than anticipated due to the continuing drop in interest rates during the fiscal year.

Other Major Governmental Funds

The Fire District Fund has a total fund balance of \$2,990,810, which represents a decrease from the prior year of \$3,140,032. Total fund balance for the Fire District Fund is 42 percent of its 2010 expenditures. The fund balance was budgeted to decrease \$3,583,008 during fiscal year 2010 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 \$60,282,256, which represents an increase from the prior year of \$6,762,345. 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 from July 1st through March 31st.

The SPLOST Roads Unincorporated Capital Project Fund has a total fund balance of \$1,650,226, which represents an decrease from the prior year of \$2,667,358. 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 between April 1, 2005 and March 31, 2010. During fiscal 2010, S.P.L.O.S.T. proceeds totaled \$14,707,396. While expenditures were \$9,431,361.

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 \$485,478 which was more than anticipated in the final budget based on a increase in charges for services and a decrease in overall expenditures.

Non-Major Governmental Funds

Special Revenue Funds

At June 30, 2010, the fund balances for the Non-Major Special Revenue Funds totaled \$3,697,663. During the fiscal year, the total fund balances for these funds decreased by \$93,253. The majority of this change was due to the Law Enforcement Confiscated

Monies (LECM) fund which expended more than received in the current year to use fund balance increases from the prior year.

Capital Projects

At June 30, 2010 the Non-Major Capital Projects funds had a combined fund balance totaling \$17,327,530. 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 increased by \$2,432,486. The primary reason for the increase is the transfer of monies from the Fire Fund for project work to be completed in future years.

Major Proprietary Funds

Water System

The Water System provides water services to approximately 27,493 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

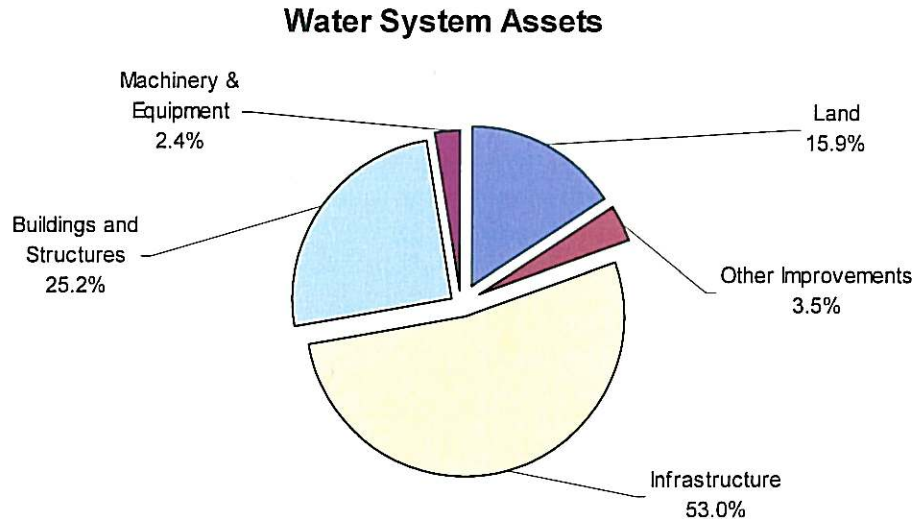
- The Water System's total assets exceeded total liabilities by \$77.8 million.

The following summarizes the components of the Water System's net assets at June 30, 2010 and 2009:

| | 2010 | 2009 |
|--|---------------|--------------|
| Current and other assets | \$ 18,685,887 | \$ 4,144,360 |
| Restricted assets | 12,918,243 | 11,084,372 |
| Capital assets | 107,004,952 | 107,558,490 |
| Total assets | 138,609,082 | 122,787,222 |
| Other liabilities | 5,818,626 | 4,241,374 |
| Long-term liabilities | 54,941,481 | 40,741,092 |
| Total liabilities | 60,760,107 | 44,982,466 |
| Invested in capital assets, net of related debt | 49,304,060 | 64,504,239 |
| Restricted | 12,918,243 | 11,084,372 |
| Unrestricted | 15,626,672 | 2,216,145 |
| Total net assets | 77,848,975 | 77,804,756 |

- 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 \$835,762 or 6.9% over 2009 revenue. This increase was due to the second phase of a rate increase that was 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 63.3 percent of net assets. The Water System uses these capital assets to provide services to customers and consequently, these assets are not available for future spending.



Water distribution system includes 615 miles of water line of various diameters and materials. Infrastructure additions for fiscal year 2010 totaled \$398,928 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, 2010. The amount of pipe smaller than 6" is insignificant and not reported as part of the distribution system.

| Pipe Size | Beginning Balance | Additions | Ending Balance |
|-----------|-------------------|-----------|----------------|
| 30" | 37,802 | | 37,802 |
| 24" | 106,950 | | 106,950 |
| 20" | 222,803 | | 222,803 |
| 18" | 8,390 | | 8,390 |
| 16" | 149,106 | | 149,106 |
| 12" | 270,480 | | 270,480 |
| 10" | 286,780 | 1,411 | 288,191 |
| 8" | 1,375,891 | 4,270 | 1,380,161 |
| 6" | 783,832 | 1,220 | 785,052 |
| Totals | \$ 3,242,034 | \$ 6,901 | \$ 3,248,935 |

Fayette County Water System's net assets also include restricted assets of \$12,918,243 (16.6 percent of net assets) and unrestricted net assets of \$15,626,672 (20.0 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 \$44,219 or .05 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:

| | 2010 | 2009 |
|--|----------------------|---------------------|
| Revenues and capital contributions: | | |
| Water sales | \$ 12,999,361 | \$12,163,599 |
| Other operating | 344,893 | 327,708 |
| Non-operating | 73,549 | 213,946 |
| Capital contributions | 418,363 | 1,096,917 |
| Total revenues and capital contributions | <u>13,836,166</u> | <u>13,802,170</u> |
| Expenses and transfers | | |
| Operating expenses | 6,163,479 | 6,104,440 |
| Non-operating expenses | 2,511,507 | 2,350,523 |
| Transfer-overhead | 708,785 | 627,976 |
| Depreciation expense | 4,408,176 | 4,435,950 |
| Total expenses | <u>13,791,947</u> | <u>13,518,889</u> |
| Increase in net assets | 44,219 | 283,281 |
| Net assets, beginning of year | <u>77,804,756</u> | <u>77,521,475</u> |
| Net assets, end of year | <u>\$ 77,848,975</u> | <u>\$77,804,756</u> |

The Water System's total revenues and capital contributions increased \$33,996 or 0.2% 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 \$273,058 or 2.0% during the fiscal year. The increase can be attributed to the increasing costs associated with water production and increased interest expense related to the new debt issuance.

Long-term debt – At the end of the current fiscal year, Fayette County Water System's total revenue bonded debt is \$57,970,000 (see page 49 in Notes to the Financial Statements). New revenue bonds of \$36,340,000 were issued to refund \$14,735,000 of the 1998 bonds, retire \$6,648,751 of Georgia Environmental Facilities Authority Loans, and to provide for additional capital for the construction of Lake McIntosh. The overall effect to long-term debt was a 54% increase.

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 2010, Solid Waste fund's net assets equated to \$1,309,731.

The Georgia Environmental Protection Division (EPD) has completed a review of the landfill financial test mechanism. Fayette County is in compliance until December 30,

2010, for the closure and post-closure care financial assurance requirements in the 2009 fiscal year.

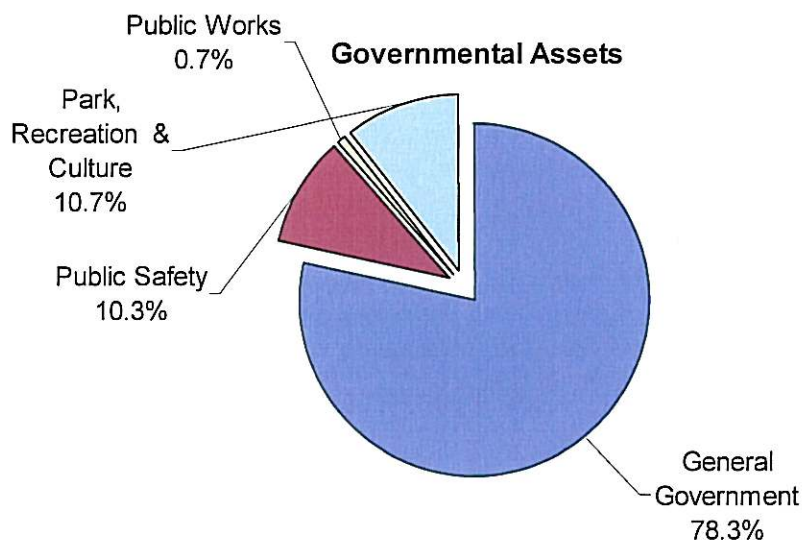
The relative financial strength ratio is 0.01 for 2010 fiscal year. The EPD requires a relative financial strength ratio equal to or less than 0.20. The County's relative financial strength ratio is exceptional.

The major goals for 2010 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 2010 was a decrease of \$43,148 or 3.2 percent.

| | 2010 | 2009 |
|--|--------------|--------------|
| Current assets | \$ 1,297,894 | \$ 1,310,140 |
| Capital assets, net of accumulated depreciation | 55,511 | 64,975 |
| Total assets | 1,353,405 | 1,375,115 |
| Current liabilities | 41,587 | 20,958 |
| Long-term liabilities | 2,087 | 1,278 |
| Total liabilities | 43,674 | 22,236 |
| Invested in capital assets, net of related debt | 55,511 | 64,975 |
| Unrestricted | 1,254,220 | 1,287,904 |
| Total net assets | \$ 1,309,731 | \$ 1,352,879 |

Capital Assets

Capital assets - Fayette County's capital assets as of June 30, 2010, totaled \$216,239,066 net of accumulated depreciation. Governmental activity accounts for \$109,178,603 while business type totals \$107,060,463. 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 42-43)



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 \$54,001,133. This amount represents the Fayette County Public Facilities Authority Revenue Bonds of \$47,995,000 issued to construct the Criminal Justice Center, the capital leases of \$2,786,133 for the 841 Mhz radio system for E911 and various copiers throughout the county, the GMA lease pool certificate of participation of \$3,220,000 (see pages 44-49).

Other Financial Information

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

The tax has been subdivided into two parts with 70 percent of the available funding earmarked for County-Wide Projects and the remaining 30 percent of available funding earmarked for use of projects sponsored by a city, town, or the unincorporated portion of Fayette County (see pages 75-76).

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, 2010

| | Primary Government | | Primary | Component |
|---|-----------------------|----------------------|-----------------------|---------------------|
| | Governmental | Business-type | Government | Unit |
| | Activities | Activities | Total | Total |
| ASSETS | | | | |
| Unrestricted cash | \$ 59,217,652 | \$ 17,351,208 | \$ 76,568,860 | \$ 912,206 |
| Restricted cash | 75,246,218 | 12,918,243 | 88,164,461 | 215,441 |
| Restricted Investment | - | - | - | 719,000 |
| Taxes receivable, net | 2,226,258 | - | 2,226,258 | - |
| Other receivables | 1,634,704 | 1,719,934 | 3,354,638 | 34,640 |
| Inventory and prepaid expenses | 262,029 | 591,819 | 853,848 | - |
| Unamortized debt issue costs | 199,466 | 320,820 | 520,286 | - |
| Capital assets, non depreciable | 9,060,705 | 15,217,178 | 24,277,883 | - |
| Capital assets, net of accumulated depreciation | 100,117,898 | 80,417,359 | 180,535,257 | 245,466 |
| Construction in process | - | 11,425,926 | 11,425,926 | - |
| Total assets | <u>247,964,930</u> | <u>139,962,487</u> | <u>387,927,417</u> | <u>2,126,753</u> |
| LIABILITIES | | | | |
| Accounts payable | 2,545,809 | 2,191,677 | 4,737,486 | 966,477 |
| Cash overdraft | 3,527 | - | 3,527 | - |
| Salaries and benefits payable | 1,394,133 | 117,925 | 1,512,058 | - |
| Unearned revenues | 1,544,010 | 33,500 | 1,577,510 | - |
| Accrued interest | 250,922 | 609,468 | 860,390 | - |
| OPEB liability | 366,283 | - | 366,283 | - |
| Current compensated absences | - | 17,643 | 17,643 | - |
| Current portion of long-term obligations | 2,397,501 | 2,890,000 | 5,287,501 | 96,486 |
| Capital lease, net of current portion | 1,878,632 | - | 1,878,632 | - |
| Long term compensated absences payable | 3,152,017 | 132,676 | 3,284,693 | - |
| Certificate of participation payable | 3,220,000 | - | 3,220,000 | - |
| Bonds payable, net of current portion | <u>46,505,000</u> | <u>54,810,892</u> | <u>101,315,892</u> | <u>-</u> |
| Total liabilities | <u>63,257,834</u> | <u>60,803,781</u> | <u>124,061,615</u> | <u>1,062,963</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 58,397,470 | 49,359,571 | 107,757,041 | 245,466 |
| Restricted for: | | | | |
| Debt service | 3,201,965 | 6,746,375 | 9,948,340 | - |
| Renewal and extension | - | 6,171,868 | 6,171,868 | - |
| Capital improvements | 71,236,209 | - | 71,236,209 | - |
| Unrestricted | <u>51,871,452</u> | <u>16,880,892</u> | <u>68,752,344</u> | <u>818,324</u> |
| TOTAL NET ASSETS | <u>\$ 184,707,096</u> | <u>\$ 79,158,706</u> | <u>\$ 263,865,802</u> | <u>\$ 1,063,790</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, 2010

| Functions/Program Activities Primary government | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Assets | | | Component Units |
|--|------------------|-----------------------|--|--|------------------------|-----------------|--------------------|
| | Expenses | Charges for | Capital | Governmental Activities | Business Activities | Total | |
| | | Services and Fines | Operating Grants and Contributions | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 17,477,463 | \$ 1,614,489 | \$ 10,942 | \$ - | \$ - | \$ (15,852,032) | \$ - |
| Judicial | 5,607,459 | 2,474,750 | - | - | - | (3,132,709) | - |
| Public Safety | 33,801,423 | 5,139,419 | 20,544 | - | - | (28,641,460) | - |
| Public Works | 13,183,402 | 7,170 | - | - | - | (13,176,232) | - |
| Health and Welfare | 695,438 | - | - | - | - | (695,438) | - |
| Culture/Recreation | 2,869,310 | 240,786 | 449 | - | - | (2,628,075) | - |
| Planning & Community Develop. | 1,260,287 | 10,861 | - | - | - | (1,249,426) | - |
| Interest and fiscal charges | 2,785,637 | - | - | - | - | (2,785,637) | - |
| Total governmental activities | 77,680,419 | 9,487,475 | 31,935 | - | - | (68,161,009) | - |
| Business-type activities: | | | | | | | |
| Water System | 13,083,162 | 13,344,254 | - | 418,363 | 679,455 | 679,455 | - |
| Solid Waste | 162,341 | 120,708 | - | - | (41,633) | (41,633) | - |
| Total business-type activity | 13,245,503 | 13,464,962 | - | 418,363 | 637,822 | 637,822 | - |
| Total primary government | \$ 90,925,922 | \$ 22,952,437 | \$ 31,935 | \$ 418,363 | 637,822 | (67,523,187) | - |
| Component units: | | | | | | | |
| Governmental-type | \$ 9,766,826 | \$ 711,157 | \$ 8,654,322 | \$ - | - | - | (401,347) |
| Total component units | \$ 9,766,826 | \$ 711,157 | \$ 8,654,322 | \$ - | - | - | (401,347) |
| General revenues | | | | | | | |
| Property taxes | | | | | 39,052,755 | 39,052,755 | - |
| Sales taxes | | | | | 9,635,056 | 9,635,056 | - |
| Other taxes | | | | | 1,224,064 | 1,224,064 | - |
| SPLOST | | | | | 12,254,894 | 12,254,894 | - |
| Intergovernmental | | | | | 3,654,944 | 3,654,944 | 290,312 |
| Sales of capital assets | | | | | 61,790 | 65,497 | - |
| Miscellaneous revenues | | | | | 520,363 | 563,506 | - |
| Interest | | | | | 764,894 | 795,350 | 15,547 |
| Transfers | | | | | 714,057 | - | - |
| Total general revenues and transfers | | | | | 67,882,817 | 67,246,066 | 305,859 |
| Change in net assets | | | | | (278,192) | (277,121) | (95,488) |
| Net assets - beginning of year | | | | | 184,985,288 | 264,142,923 | 1,159,278 |
| Net assets - end of year | | | | | \$ 184,707,096 | \$ 263,865,802 | \$ 1,063,790 |

Fayette County, Georgia
Balance Sheet
Governmental Funds

June 30, 2010

| | 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 | \$ 35,907,699 | \$ 3,334,651 | \$ - | \$ - | \$ 1,061,649 | \$ 11,776,434 | \$ 52,080,433 |
| Restricted cash | - | - | 60,916,506 | 2,002,787 | - | 9,124,960 | 72,044,253 |
| Taxes receivable | 1,932,279 | 201,494 | - | - | 79,443 | 13,042 | 2,226,258 |
| Other receivables | 618,560 | 36,063 | 62,020 | 15,424 | 416,392 | 399,744 | 1,548,203 |
| Inventory | 110,549 | - | - | - | - | - | 110,549 |
| Prepaid items | 94,645 | 2,659 | - | - | 15,662 | 37,620 | 150,586 |
| Total assets | 38,663,732 | 3,574,867 | 60,978,526 | 2,018,211 | 1,573,146 | 21,351,800 | 128,160,282 |
| Liabilities | | | | | | | |
| Accounts payable | 828,105 | 23,123 | 665,821 | 213,277 | 23,097 | 241,509 | 1,994,932 |
| Cash overdraft | - | - | - | - | - | 3,527 | 3,527 |
| Salary and benefits payable | 1,008,461 | 239,419 | - | - | 88,380 | 57,873 | 1,394,133 |
| Compensated absences payable | 627,049 | 83,870 | - | - | 32,484 | 12,146 | 755,549 |
| Contracts payable | - | - | 30,449 | 154,708 | - | - | 185,157 |
| Deferred revenue | 1,206,414 | 237,645 | - | - | 88,399 | 11,552 | 1,544,010 |
| Total liabilities | 3,670,029 | 584,057 | 696,270 | 367,985 | 232,360 | 326,607 | 5,877,308 |
| Fund Balances | | | | | | | |
| Reserved for encumbrances | 113,300 | 5,960 | - | - | - | - | 119,260 |
| Reserved for inventories | 110,549 | - | - | - | - | - | 110,549 |
| Reserved for prepaid assets | 94,645 | 2,659 | - | - | 15,662 | 37,144 | 150,110 |
| Reserved for future expenditures | - | - | 60,282,256 | 1,650,226 | - | 9,303,727 | 71,236,209 |
| Unreserved: | | | | | | | |
| Designated for emergencies | 2,000,000 | - | - | - | - | - | 2,000,000 |
| Designated for working capital | 11,252,251 | 1,853,913 | - | - | 758,735 | - | 13,864,899 |
| Designated for future expenditures | 87,300 | - | - | - | - | - | 87,300 |
| Non-major special revenues | - | - | - | - | - | 3,177,596 | 3,177,596 |
| Designated for capital improvements | 13,887,140 | - | - | - | - | - | 13,887,140 |
| Non-major capital projects | - | - | - | - | - | 7,994,268 | 7,994,268 |
| Undesignated | 7,448,518 | 1,128,278 | - | - | 566,389 | - | 9,143,185 |
| Non-major special revenues | - | - | - | - | - | 512,458 | 512,458 |
| Total fund balances | 34,993,703 | 2,990,810 | 60,282,256 | 1,650,226 | 1,340,786 | 21,025,193 | 122,282,974 |
| Total liabilities and fund balances | \$ 38,663,732 | \$ 3,574,867 | \$ 60,978,526 | \$ 2,018,211 | \$ 1,573,146 | \$ 21,351,800 | \$128,160,282 |

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, 2010

Total fund balances - governmental funds \$ 122,282,974

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. 104,831,132

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. 11,387,796

| | |
|------------------------------|-------------------|
| Capital assets | \$ 4,347,471 |
| Certificate of participation | (3,220,000) |
| Other | <u>10,260,325</u> |
| | 11,387,796 |

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 | (366,283) |
| Bonds payable, net of current portion | (46,505,000) |
| Current portion of long term debt | (2,397,501) |
| Capital leases Payable, net of current portion | (1,878,632) |
| Accrued interest Payable (bonds) | (250,922) |
| Compensated absences payable | <u>(2,396,468)</u> |
| | (53,794,806) |

Total net assets - governmental activities \$ 184,707,096

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, 2010

| | Major Governmental Funds | | | | | Non-Major | Total |
|--|--------------------------|--------------------------|------------------------------------|-----------------------------------|-------------------------|-----------------------|-----------------------|
| | General | Fire District Fund | SPLOST County-Wide Roads CIP | SPLOST Roads Unincorporated | EMS District Fund | Governmental Funds | Governmental Funds |
| Revenues: | | | | | | | |
| Taxes | | | | | | | |
| Property taxes | \$ 29,270,646 | \$ 7,513,658 | \$ - | \$ - | \$ 1,961,433 | \$ 307,018 | \$ 39,052,755 |
| Sales taxes | 9,635,056 | - | - | - | - | - | 9,635,056 |
| Other taxes | 1,224,064 | - | - | - | - | - | 1,224,064 |
| Special local option sales tax | - | - | 10,153,906 | 2,100,988 | - | - | 12,254,894 |
| Licenses and permits | 424,201 | - | - | - | - | - | 424,201 |
| Intergovernmental | 629,754 | - | 82,824 | 2,183,858 | - | 758,508 | 3,654,944 |
| Charges for services | 1,681,654 | 60,537 | - | - | 1,489,572 | 1,910,886 | 5,142,649 |
| Fines & forfeitures | 1,494,284 | - | - | - | - | 1,648,442 | 3,142,726 |
| Investment income | 123,722 | 13,160 | 173,432 | 12,388 | 356 | 11,866 | 334,924 |
| Miscellaneous revenues | 236,218 | 36,048 | - | - | 121 | 247,976 | 520,363 |
| Contributions/Donations | 30,735 | 1,200 | - | - | - | - | 31,935 |
| Total revenues | <u>44,750,334</u> | <u>7,624,603</u> | <u>10,410,162</u> | <u>4,297,234</u> | <u>3,451,482</u> | <u>4,884,696</u> | <u>75,418,511</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General Government | 7,689,333 | - | - | - | - | - | 7,689,333 |
| Judicial System | 4,764,675 | - | - | - | - | 326,534 | 5,091,209 |
| Public Safety | 18,294,431 | 7,091,759 | - | - | 2,875,269 | 3,636,981 | 31,898,440 |
| Public Works | 3,351,666 | - | - | - | - | 279,711 | 3,631,377 |
| Health and Welfare | 695,438 | - | - | - | - | - | 695,438 |
| Culture/Recreation | 1,846,572 | - | - | - | - | 133,996 | 1,980,568 |
| Planning & Community Development | 1,242,377 | - | - | - | - | - | 1,242,377 |
| Capital outlay | | | | | | | |
| General Government | 271,358 | - | - | - | - | 1,036,031 | 1,307,389 |
| Judicial System | 16,456 | - | - | - | - | - | 16,456 |
| Public Works | 12,445 | - | 2,840,052 | 4,407,451 | - | - | 7,259,948 |
| Public Safety | 136,584 | 9,936 | - | - | 735 | 886,178 | 1,033,433 |
| Other/Culture/Recreation | 5,408 | - | - | - | - | - | 5,408 |
| Intergovernmental | - | - | - | 2,183,858 | - | - | 2,183,858 |
| Debt service - principal | 2,239,941 | - | - | - | - | - | 2,239,941 |
| Debt service - interest | 2,597,403 | - | - | - | - | - | 2,597,403 |
| Paying agent fees/bonds | 1,364 | - | - | - | - | - | 1,364 |
| Total expenditures | <u>43,165,451</u> | <u>7,101,695</u> | <u>2,840,052</u> | <u>6,591,309</u> | <u>2,876,004</u> | <u>6,299,431</u> | <u>68,873,942</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,584,883 | 522,908 | 7,570,110 | (2,294,075) | 575,478 | (1,414,735) | 6,544,569 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 1,906,060 | - | - | - | - | 3,966,097 | 5,872,157 |
| Transfers out | (1,504,674) | (3,670,635) | (807,765) | (373,283) | (90,000) | (212,129) | (6,658,486) |
| Proceeds from sale of capital assets | 54,095 | 7,695 | - | - | - | - | 61,790 |
| Total other financing uses | <u>455,481</u> | <u>(3,662,940)</u> | <u>(807,765)</u> | <u>(373,283)</u> | <u>(90,000)</u> | <u>3,753,968</u> | <u>(724,539)</u> |
| Net change in fund balance | 2,040,364 | (3,140,032) | 6,762,345 | (2,667,358) | 485,478 | 2,339,233 | 5,820,030 |
| Fund balances at the beginning of year | <u>32,953,339</u> | <u>6,130,842</u> | <u>53,519,911</u> | <u>4,317,584</u> | <u>855,308</u> | <u>18,685,960</u> | <u>116,462,944</u> |
| Fund balances at end of year | <u>\$ 34,993,703</u> | <u>\$ 2,990,810</u> | <u>\$ 60,282,256</u> | <u>\$ 1,650,226</u> | <u>\$ 1,340,786</u> | <u>\$ 21,025,193</u> | <u>\$122,282,974</u> |

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

Fayette County, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances with the Statement of Activities

For the fiscal year ended June 30, 2010

Total net change in fund balances - governmental funds \$ 5,820,030

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 | (8,269,027) |
| Capital outlays | 923,304 |

| | |
|--|-----------|
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | 1,415,000 |
|--|-----------|

| | |
|--|---------|
| Repayment of lease principal is an expenditure in the capital project funds, but the repayment reduces long-term liabilities in the statement of net assets. | 886,050 |
|--|---------|

| | |
|--|---------|
| The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets. | (8,913) |
|--|---------|

| | |
|--|-----------|
| 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. | (174,933) |
|--|-----------|

| | |
|--|-------------|
| 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. | (1,143,551) |
|--|-------------|

| | |
|---|---------|
| The net revenue (expense) of the Internal Service Funds is reported with the Governmental activities. | 248,390 |
|---|---------|

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.

| | |
|------------------|--------|
| Accrued Interest | 25,458 |
|------------------|--------|

| | |
|---|--------------|
| Change in net assets of governmental activities | \$ (278,192) |
|---|--------------|

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

Fayette County, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2010

| | Major Enterprise Fund Water System | Non-Major Enterprise Fund Solid Waste | Total | Governmental Activities-Internal Service Funds |
|---|--|---|---------------|--|
| ASSETS | | | | |
| Current Assets | | | | |
| Unrestricted cash | \$ 16,069,637 | \$ 1,281,571 | \$ 17,351,208 | \$ 7,137,219 |
| Restricted cash | 12,918,243 | - | 12,918,243 | 3,201,965 |
| Prepaid expenses | 7,898 | - | 7,898 | - |
| Accrued interest | - | 195 | 195 | 894 |
| Other receivables, net of allowance for doubtful accounts of \$125,000 | 1,703,611 | 16,128 | 1,719,739 | 86,501 |
| Inventory | 583,921 | - | 583,921 | - |
| Total current assets | 31,283,310 | 1,297,894 | 32,581,204 | 10,426,579 |
| Non-Current Assets | | | | |
| Unamortized debt issue costs | 320,820 | - | 320,820 | 199,466 |
| Capital assets, net of accumulated depreciation | | | | |
| Land | 15,200,661 | 16,517 | 15,217,178 | - |
| Land improvements | 3,346,488 | 24,430 | 3,370,918 | - |
| Infrastructure | 50,610,027 | - | 50,610,027 | - |
| Buildings | 24,098,489 | 12,609 | 24,111,098 | - |
| Machinery, equipment and vehicles | 2,323,361 | 1,955 | 2,325,316 | 4,347,471 |
| Construction in progress | 11,425,926 | - | 11,425,926 | - |
| Total capital assets | 107,004,952 | 55,511 | 107,060,463 | 4,347,471 |
| Total Assets | 138,609,082 | 1,353,405 | 139,962,487 | 14,973,516 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 1,933,078 | 38,505 | 1,971,583 | 2,389 |
| Contracts payable | 220,094 | - | 220,094 | - |
| Claims payable | - | - | - | 363,331 |
| Accrued interest payable | 609,468 | - | 609,468 | - |
| Salaries and benefits payable | 116,329 | 1,596 | 117,925 | - |
| Compensated absences | 16,157 | 1,486 | 17,643 | - |
| Unearned revenue | 33,500 | - | 33,500 | - |
| Current portion of long-term obligations | 2,890,000 | - | 2,890,000 | - |
| Total current liabilities | 5,818,626 | 41,587 | 5,860,213 | 365,720 |
| Long-Term Liabilities | | | | |
| Compensated absences | 130,589 | 2,087 | 132,676 | - |
| Certificates of Participation | - | - | - | 3,220,000 |
| Bonds payable | 54,810,892 | - | 54,810,892 | - |
| Long-Term Liabilities, net of current portion | 54,941,481 | 2,087 | 54,943,568 | 3,220,000 |
| Total Liabilities | 60,760,107 | 43,674 | 60,803,781 | 3,585,720 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 49,304,060 | 55,511 | 49,359,571 | 4,347,470 |
| Restricted for: | | | | |
| Renewal & extension | 6,171,868 | - | 6,171,868 | - |
| Debt service | 6,746,375 | - | 6,746,375 | 3,201,965 |
| Unrestricted | 15,626,672 | 1,254,220 | 16,880,892 | 3,838,361 |
| TOTAL NET ASSETS | \$ 77,848,975 | \$ 1,309,731 | \$ 79,158,706 | \$ 11,387,796 |

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, 2010

| | Major Enterprise Fund <u>Water System</u> | Non-Major Enterprise Fund <u>Solid Waste</u> | <u>Total</u> | Governmental Activites - Internal <u>Service Funds</u> |
|---|---|--|----------------------|--|
| Operating revenues: | | | | |
| Charges for sales and services | \$ 12,999,361 | \$ 120,708 | \$ 13,120,069 | \$ - |
| Charges to other funds | - | - | - | 546,255 |
| Penalties | 133,420 | - | 133,420 | - |
| Miscellaneous | 211,473 | - | 211,473 | 231,644 |
| Total operating revenues | <u>13,344,254</u> | <u>120,708</u> | <u>13,464,962</u> | <u>777,899</u> |
| Operating expenses: | | | | |
| Personal services | 1,766,810 | 103,274 | 1,870,084 | - |
| Contractual services | 940,003 | 4,840 | 944,843 | 164,443 |
| Other operating | 183,370 | 15,460 | 198,830 | 1,058,499 |
| Water production cost | 3,170,673 | - | 3,170,673 | - |
| Amortization | 102,623 | - | 102,623 | 11,082 |
| Depreciation | 4,408,176 | 9,465 | 4,417,641 | 918,974 |
| Closure/post closure care | - | 29,302 | 29,302 | - |
| Total operating expenses | <u>10,571,655</u> | <u>162,341</u> | <u>10,733,996</u> | <u>2,152,998</u> |
| Operating income (loss) | <u>2,772,599</u> | <u>(41,633)</u> | <u>2,730,966</u> | <u>(1,375,099)</u> |
| Non-operating activities | | | | |
| Interest income | 28,079 | 2,377 | 30,456 | 429,970 |
| Gain on disposition of equipment | 2,327 | 1,380 | 3,707 | - |
| Miscellaneous | 43,143 | - | 43,143 | - |
| Interest expense (including amortization of bond discount) | (2,511,507) | - | (2,511,507) | (262,355) |
| Loss on disposition of equipment | - | - | - | (44,512) |
| Total non-operating activities | <u>(2,437,958)</u> | <u>3,757</u> | <u>(2,434,201)</u> | <u>123,103</u> |
| Income before capital contributions and transfers | <u>334,641</u> | <u>(37,876)</u> | <u>296,765</u> | <u>(1,251,996)</u> |
| Capital contributions and transfers | | | | |
| Capital contributions | 418,363 | - | 418,363 | - |
| Transfers in | - | - | - | 1,509,886 |
| Transfers out | (708,785) | (5,272) | (714,057) | (9,500) |
| Total capital contributions and transfers | <u>(290,422)</u> | <u>(5,272)</u> | <u>(295,694)</u> | <u>1,500,386</u> |
| Change in Net Assets | 44,219 | (43,148) | 1,071 | 248,390 |
| Net Assets, beginning of year | <u>77,804,756</u> | <u>1,352,879</u> | <u>79,157,635</u> | <u>11,139,406</u> |
| Net Assets, end of year | <u>\$ 77,848,975</u> | <u>\$ 1,309,731</u> | <u>\$ 79,158,706</u> | <u>\$ 11,387,796</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, 2010

| | 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 | \$ 13,204,195 | \$ 117,599 | \$ 13,321,794 | \$ 546,255 |
| Cash received from others | - | - | - | 229,661 |
| Cash payments to suppliers for goods and services | (3,181,809) | (29,406) | (3,211,215) | (179,118) |
| Cash payments to employees for services | (1,569,424) | (102,033) | (1,671,457) | (821,270) |
| Net cash provided (used) by operating activities | <u>8,452,962</u> | <u>(13,840)</u> | <u>8,439,122</u> | <u>(224,472)</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfers in from other funds | - | - | - | 1,509,886 |
| Transfers out to other funds | (708,785) | (5,272) | (714,057) | (9,500) |
| Net cash provided (used) by noncapital financing activities | <u>(708,785)</u> | <u>(5,272)</u> | <u>(714,057)</u> | <u>1,500,386</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition and construction of capital assets | (3,224,606) | - | (3,224,606) | (666,786) |
| Proceeds from issuance of revenue bonds | 36,340,000 | - | 36,340,000 | - |
| Capital contributions | 418,363 | - | 418,363 | - |
| Proceeds from sale of equipment | 2,327 | 1,380 | 3,707 | - |
| Payment of Interest on Certificates of Participation | - | - | - | (262,355) |
| Reduction of Certificates of Participation | - | - | - | (761,207) |
| Principal paid on revenue bonds and loans | (22,778,751) | - | (22,778,751) | - |
| Payment of bond interest and loans | (2,207,921) | - | (2,207,921) | - |
| Net cash (used) by capital and related financing activities | <u>8,549,412</u> | <u>1,380</u> | <u>8,550,792</u> | <u>(1,690,348)</u> |
| Cash flows from investing activities: | | | | |
| Interest on investments | 28,079 | 2,182 | 30,261 | 429,076 |
| Net cash provided by investing activities | <u>28,079</u> | <u>2,182</u> | <u>30,261</u> | <u>429,076</u> |
| Net increase in cash and cash equivalents | <u>16,321,668</u> | <u>(15,550)</u> | <u>16,306,118</u> | <u>14,642</u> |
| Cash and cash equivalents at beginning of year | <u>12,666,212</u> | <u>1,297,121</u> | <u>13,963,333</u> | <u>10,324,542</u> |
| Cash and cash equivalents at end of year | <u>\$ 28,987,880</u> | <u>\$ 1,281,571</u> | <u>\$ 30,269,451</u> | <u>\$ 10,339,184</u> |
| Classified as: | | | | |
| Unrestricted cash | 16,069,637 | 1,281,571 | 17,351,208 | 7,137,219 |
| Restricted cash | 12,918,243 | - | 12,918,243 | 3,201,965 |
| | <u>\$ 28,987,880</u> | <u>\$ 1,281,571</u> | <u>\$ 30,269,451</u> | <u>\$ 10,339,184</u> |

Continued on next page

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

Fayette County, Georgia
Statement of Cash Flows
Proprietary Funds

For the fiscal year ended June 30, 2010

| | Major <u>Enterprise Fund</u> Water | Non-Major <u>Enterprise Fund</u> Solid Waste | <u>Enterprise Fund</u> Total | Governmental Activities Internal Service Funds |
|--|--|--|---------------------------------|--|
| Reconciliation of operating income (loss) to cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ 2,772,599 | \$ (41,633) | \$ 2,730,966 | \$ (1,375,099) |
| Adjustments to reconcile operating income to Net cash provided by operating activities: | | | | |
| Depreciation expense | 4,408,176 | 9,465 | 4,417,641 | 919,799 |
| Amortization expense | 102,623 | - | 102,623 | 11,082 |
| Decrease/(Increase) in accounts receivable | (54,959) | (3,109) | (58,068) | - |
| Decrease in Inventory | (75,982) | - | (75,982) | - |
| Increase/(Decrease) in accounts payable | 974,736 | 20,196 | 994,932 | (14,544) |
| Increase in salaries and benefits payable | 197,386 | 1,241 | 198,627 | - |
| Decrease in prepaid items | 104,633 | - | 104,633 | (80,203) |
| Increase in contracts payable | 108,850 | - | 108,850 | - |
| Decrease in unearned revenue | (85,100) | - | (85,100) | - |
| Estimated claims payable | - | - | - | 314,493 |
| Total adjustments | 5,680,363 | 27,793 | 5,708,156 | 1,150,627 |
| Net cash provided (used) by operating activities | \$ 8,452,962 | \$ (13,840) | \$ 8,439,122 | \$ (224,472) |
| Noncash investing, capital, and financing activities: | | | | |
| Contributions of capital assets | \$ 251,042 | | | |

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

Fayette County, Georgia

Statement of Fiduciary Funds Assets and Liabilities

June 30, 2010

| | Totals <u>Agency Funds</u> |
|---------------------------|-------------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ <u>1,952,883</u> |
| Total Assets | \$ <u>1,952,883</u> |
| | |
| Liabilities | |
| Due to Others | \$ 1,830,278 |
| Tax Protest/Bankruptcy | <u>122,605</u> |
| Total Liabilities | \$ <u>1,952,883</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, 2010

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Fayette County, Georgia
Notes to the Financial Statements
June 30, 2010

Note I – Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

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

A. Reporting Entity- Continued

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

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

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

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

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Major governmental funds include:

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

Major proprietary funds include:

Water System Fund accounts for the County's water system's operations serving approximately 27,493 customers in unincorporated County and through the System owned distributions in Peachtree City, Tyrone, Woolsey, Brooks and Fayetteville.

Other proprietary funds include:

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

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

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

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that Fayette County holds for others in an agency capacity. The County's combining statements of Fiduciary Funds are located on pages 86-87. Fayette County's agency funds are:

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

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

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

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

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

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

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

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

Basis of Presentation

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

Policy for Eliminating Internal Activity

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

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

C. Assets, Liabilities, Equity, and Revenues

1. Deposits and Investments

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

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

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

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

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

2. Receivables and Payables

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

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

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

Property taxes were levied and billed on September 1, 2009. The billings are considered due upon receipt; however, the actual due date is based on a period ending 60 days after the tax bill mailing. On November 16, 2009, 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, 2010, 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, 2010, net of allowance for doubtful accounts of \$125,000. The receivable was computed using the cycle billings sent to customers in July and prorating the charges based on the days applicable to the current period.

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

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

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

6. Compensated Absences

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

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

7. Long-term Obligations

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

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

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

8. Net Assets/ Fund Equity

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

Restricted net assets reflect amounts restricted by contracts, laws and regulations for specific purposes such as amounts that have been accumulated in the debt service accounts as well as working capital reserve as described in the bond resolutions.

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 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 is also recorded as capital contributions.

NOTE II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and all of the special revenue funds. Operating budgets

A. Budgetary Information-Continued

are not prepared for the internal service funds or the agency funds. Expenditures for those funds are controlled by legal use restrictions imposed by ordinances. For administrative control purposes, cash flow budgets are adopted for each of the enterprise funds.

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

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

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

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

Formal budget integration is employed as a management control device during the year for the general fund, special revenue funds, and library SPLOST fund. Individual budgets and actual statements are presented for these funds at the department level. To help ensure that each department keeps their spending during the year within its total approved appropriations amount, certain internal administrative controls are utilized. County department heads are authorized to approve budget transfers between the various line item expenditure accounts within their departments. All other transfers or supplemental

A. Budgetary Information-Continued

appropriations, which change the total budget for a departmental cost center, must be approved by the Board of Commissioners. During the 2010 fiscal year, several supplementary appropriations were necessary.

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

| Budget Adjustment | |
|-------------------------------|----------------------|
| Decrease Revenues | \$ 236,913 |
| Decrease Expenditures | (76,358) |
| Decrease Other Financing Uses | (1,185,720) |
| Total Net Change | <u>\$(1,025,165)</u> |

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

1. Sinking Fund Requirements

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

During fiscal year ended June 30, 2010, \$4,891,151 was paid from the revenue fund into the sinking fund (including the debt service reserve account) with required debt and interest payments made from the sinking funds when due.

2. Debt Service Reserve

The bond resolutions require the creation and maintenance of a debt service reserve within the sinking fund. According to the resolutions, monies are to be transferred each month from the revenue fund to the reserve so that the reserve will be fully funded in an amount equal to \$5,553,579 by September 1, 2014. The debt reserve balance at June 30, 2010 is \$ 4,197,596, the sinking fund balances are \$ 2,548,779, for a debt service total of \$6,746,375, which is shown as restricted cash in the proprietary funds.

3. Renewal and Extension Fund

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

- a. Paying principal and interest on any revenue bonds falling due when there are insufficient funds in the sinking fund to make the payment.
- b. Emergency expenditures if there are insufficient fund in the revenue fund (operating account).
- c. Replacements, additions, extensions, and improvements to the system in the best interests of the county and bondholders.

3. Renewal and Extension Fund-Continued

- d. Payments of investment services for the investment of monies held in the renewal and extension fund (renewal and extension account).
- e. The transfer of moneys, if any required, pursuant to the arbitrage rebate provision of the bond resolution.

4. Rates and Fee Requirements

In accordance with the bond resolutions, the water system's schedule of rates, fees, and charges for services shall be maintained at such a level so as to produce net revenues (after payment of reasonable and necessary cost of operating and maintaining the system) equal to at least 1.20 times the amount required to be paid in to the sinking fund and the debt service reserve in the current sinking fund year. This ratio is computed annually. For the year ended June 30, 2010, the County was in compliance with this requirement.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments

1. Cash Deposits

At June 30, 2010, the carrying amount of the County's deposits was \$134,599,968 and the bank balances were \$136,790,754. All of the County's deposits were covered either by FDIC coverage or collateralized with securities held by the County's agent in the County's name.

The blended component units' bank balances are presented as part of the governmental activities column on the government-wide statement. Fiduciary funds are shown separately; see pages 86-87, for a detail of the agency accounts. Fayette County's 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 a Rule 20-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Georgia Fund 1 is not registered with the Securities and Exchange Commission as an investment company. The Georgia Office of Treasury and Fiscal Services is the regulatory oversight agency of Georgia Fund 1. Georgia Fund 1's primary objectives are safety of capital, investment income, liquidity and diversification while

2. Investments – Continued

maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed on \$1.00 per share.

As of June 30, 2010, the carrying values of the County's investments were as follows:

Georgia Fund 1 (LGIP) AAAM rated \$24,828,099 24 day Weighted Average Maturity Method

As of June 30, 2010, the carrying values of the Water System's investments were as follows:

Georgia Fund 1 (LGIP) AAAM rated \$7,258,137 24 day Weighted Average Maturity Method

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

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

- | | |
|---|------|
| • U.S. Treasury Obligations | 100% |
| • U.S. Government Agency Securities and Securities Issued by Instrumentalities of Government Sponsored Corporations | 50% |

2. Investments - Continued

| | |
|---|------|
| • Repurchase Agreements | 25% |
| • Prime Banker's Acceptances | 10% |
| • Local Government Investment Pool | 100% |
| • Certificates of Deposit | 50% |
| • Obligations of other political subdivisions of the State of Georgia | 25% |

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, 2010, are shown in the following tabulation:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|-----------------------|---------------------|----------------------------|
| Governmental activities: | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 9,070,983 | \$ 240,764 | \$ (251,042) | \$ 9,060,705 |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings and Structures | 73,186,448 | 722,286 | (10,176) | 73,898,558 |
| Infrastructure | 293,660,183 | - | - | 293,660,183 |
| Improvements other than buildings | 9,546,074 | 6,500 | (9,000) | 9,543,574 |
| Machinery and Equipment | 18,121,643 | 80,470 | (731,561) | 17,470,552 |
| Vehicles | 12,208,700 | 790,290 | (784,068) | 12,214,922 |
| Total Governmental assets being depreciated | 406,723,048 | 1,599,546 | (1,534,805) | 406,787,789 |
| Less accumulated depreciation for: | | | | |
| Buildings and Structures | 16,972,727 | 2,094,843 | (2,014) | 19,065,556 |
| Infrastructure | 257,345,448 | 4,725,645 | - | 262,071,093 |
| Improvements other than Buildings | 2,172,360 | 494,407 | (9,000) | 2,657,767 |
| Machinery and Equipment | 14,747,729 | 960,353 | (750,047) | 14,958,035 |
| Vehicles | 7,725,007 | 912,752 | (720,319) | 7,917,440 |
| Total accumulated depreciation | 298,963,271 | 9,188,000 | (1,481,380) | 306,669,891 |
| Governmental activity capital assets, net | <u>\$ 116,830,760</u> | <u>\$ (7,347,690)</u> | <u>\$ (304,467)</u> | <u>\$ 109,178,603</u> |

B. Capital Assets-Continued

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|-------------------|---------------------|-----------------------|
| Business-type activities: | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 14,966,136 | \$ 251,042 | \$ - | \$ 15,217,178 |
| Construction in Process | 8,767,613 | 3,552,192 | (893,880) | 11,425,925 |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings and Structures | 43,860,867 | 80,663 | - | 43,941,530 |
| Infrastructure | 80,570,849 | 398,928 | - | 80,969,777 |
| Improvements other than buildings | 11,250,346 | - | - | 11,250,346 |
| Machinery and Equipment | 8,970,478 | 465,691 | (167,135) | 9,269,034 |
| Total Business-type assets being depreciated | 144,652,540 | 945,282 | (167,135) | 145,430,687 |
| Less accumulated depreciation for: | | | | |
| Buildings and Structures | 18,263,003 | 1,567,427 | - | 19,830,430 |
| Infrastructure | 28,203,757 | 2,155,992 | - | 30,359,749 |
| Improvements other than Buildings | 7,558,272 | 321,156 | - | 7,879,428 |
| Machinery and Equipment | 6,737,790 | 373,065 | (167,135) | 6,943,720 |
| Total accumulated depreciation | 60,762,822 | 4,417,640 | (167,135) | 65,013,327 |
| Business-type activity capital assets, net | <u>\$ 107,623,467</u> | <u>\$ 330,876</u> | <u>\$ (893,880)</u> | <u>\$ 107,060,463</u> |

Depreciation expense was charged to functions as follows:

| Government-type assets: | Current Provision | Accumulated Depreciation |
|----------------------------------|---------------------|--------------------------|
| General Government | \$ 6,256,399 | \$ 280,321,904 |
| Judicial System | 7,766 | 270,181 |
| Public Safety | 1,301,261 | 10,827,132 |
| Public Works | 70,723 | 565,143 |
| Planning & Community Development | 6,361 | 40,670 |
| Parks, Recreation, & Culture | 626,515 | 4,095,205 |
| Total Governmental-type assets | 8,269,025 | 296,120,235 |
| Internal Service Fund | 918,975 | 10,549,656 |
| Total | <u>\$ 9,188,000</u> | <u>\$ 306,669,891</u> |

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

C. Interfund Receivables and Payables

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues. Interfund transfers for the year ended June 30, 2010 consisted of the following amounts:

Major Governmental Funds Transfers:

| | |
|---------------------------------|--------------------|
| Transfers from General Fund | |
| To: | |
| Non-Major Special Revenue Funds | \$ 303,999 |
| Non-Major Capital Project Funds | 190,289 |
| Internal Service Funds | 1,010,386 |
| Total | <u>\$1,504,674</u> |

C. Interfund Receivables and Payables-Continued

| | | |
|---|----------------------------------|--------------------|
| Transfers from Fire Fund | | |
| To: | Non-Major Special Revenue Funds | \$ 3,635 |
| To: | Non-Major Capital Projects Funds | 3,275,000 |
| To: | Internal Service Funds | <u>392,000</u> |
| | Total | <u>\$3,670,635</u> |
| Transfer from Emergency Medical Services Fund | | |
| To: | Internal Service Funds | \$ 90,000 |
| Transfer from SPLOST County-Wide | | |
| To: | General Fund | \$ 807,765 |
| Transfer from SPLOST Unincorporated | | |
| To: | General Fund | \$ 373,283 |
| Non-Major Governmental Funds | | |
| Transfer from Non-Major Special Revenue Funds | | |
| To: | General Fund | \$ 18,955 |
| Transfer from Non-Major Capital Project Funds | | |
| To: | Non-Major Capital Project Funds | \$ 193,174 |
| Proprietary Funds Transfers | | |
| Transfers from Water System | | |
| To: | General Fund | \$ 700,785 |
| To: | Internal Service Funds | <u>8,000</u> |
| | Total | <u>\$ 708,785</u> |
| Transfer from Solid Waste | | |
| To: | General Fund | \$ 5,272 |
| Internal Service Funds Transfers | | |
| Transfer from Internal Service Fund | | |
| To: | Internal Service Fund | \$ 9,500 |

The purpose of interfund transfers is to recognize budget funds appropriated for fiscal year 2010 and funds received through donations for specific projects or funds. During fiscal year 2010, amounts totaling \$1,504,674 were transferred from the General Fund to various other funds. Of that amount, \$190,289 was used to fund capital projects

During fiscal year 2010, the Water System was charged \$700,785 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

D. Leases-Continued

required to make annual lease payments in the amount of \$993,761 covering a ten-year lease term.

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

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

At June 30, 2010, the County was obligated to make payments of principal and interest as follows:

| Fiscal years ending June 30, | Principal | Interest | Total Debt Service |
|------------------------------|---------------------|-------------------|---------------------|
| 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> |
| | <u>\$ 2,786,133</u> | <u>\$ 269,102</u> | <u>\$ 3,055,235</u> |

E. Closure and Postclosure Care Cost

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

Governmental Accounting Standards Board, Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, requires that the County report closure and postclosure care costs as an operating expense in each reporting period based on landfill capacity used at the balance sheet date. With the closing of both of its sanitary landfills prior to June 30, 1994, the Solid Waste Enterprise Fund recognized 100% of the total estimated amount of the closure and postclosure care costs. As of June 30, 2010 the closure and postclosure care liability account had a zero balance. EPD provides estimates of the cost, there is a potential for change due to inflation, deflation, technology, or applicable laws or regulations.

F. Long-Term Debt

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

Revenue Bonds. The Water System (the "System") has pledged future water customer revenues, net of specified operating expenses to repay \$57.97 million in revenue bonds. Proceeds from the bonds provided financing for construction. The bonds are payable

F. Long-Term Debt-Continued

solely from the System's customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 48 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$80,758,915. Principal and interest paid on outstanding bonds in the current year was \$3,523,825 and net revenues were \$7,356,947. The bonds outstanding are:

| | |
|---|----------------------------|
| \$10,245,000 Series 1996A, water revenue bonds, due in annual installments of \$25,000 to \$920,000 through October 1, 2020; interest at 3.6% to 5.5%, net of unamortized bond discount of \$870, deferred refunding difference of \$46,755 | <u>Debt</u> \$2,060,000 |
| \$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 \$42,918, deferred refunding difference of \$700,528 | 19,655,000 |
| \$36,340,000 Series 2009, water revenue bonds, due in annual installments of \$85,000 to \$4,415,000 through October 2029; interest at 2.0% to 5.0%, net of unamortized bond premium of \$1,498,686, deferred refunding difference of \$976,723 | <u>\$36,255,000</u> |
| Current and long-term portion of revenue bonds | <u>\$57,970,000</u> |

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2010:

| Bond Issue | Balance July 1, 2009 | Additions | Reductions | Balance June 30, 2010 | Current Portion |
|----------------------|-------------------------|----------------------|----------------------|--------------------------|---------------------|
| Series 1996A | \$ 2,900,000 | \$ - | \$ 840,000 | \$ 2,060,000 | \$ 870,000 |
| Series 1998 | 14,735,000 | - | 14,735,000 | - | - |
| Series 2002 | 20,125,000 | - | 470,000 | 19,655,000 | 495,000 |
| Series 2009 | - | 36,340,000 | 85,000 | 36,255,000 | 1,525,000 |
| Total | <u>\$ 37,760,000</u> | <u>\$ 36,340,000</u> | <u>\$ 16,130,000</u> | <u>\$ 57,970,000</u> | <u>\$ 2,890,000</u> |
| Unamortized Portion: | | | | | |
| Refunding Difference | (1,239,434) | (618,846) | 134,274 | (1,724,006) | |
| Bond (Discount)/ | | | | | |
| Premium | (115,066) | 1,577,565 | (7,601) | 1,454,898 | |
| Net Revenue Bonds | <u>\$ 36,405,500</u> | <u>\$ 37,298,719</u> | <u>\$ 16,256,673</u> | <u>\$ 57,700,892</u> | |

F. Long-Term Debt-Continued

At June 30, 2010 the County was obligated to make payments of principal and interest on its outstanding water revenue bond debt as follows:

| Fiscal years ending June 30, | Principal | Interest | Total Debt Service |
|------------------------------|----------------------|----------------------|----------------------|
| 2011 | \$ 2,890,000 | \$ 2,430,501 | \$ 5,320,501 |
| 2012 | 3,110,000 | 2,330,539 | 5,440,539 |
| 2013 | 3,255,000 | 2,228,586 | 5,483,586 |
| 2014 | 3,375,000 | 2,125,311 | 5,500,311 |
| 2015 | 3,470,000 | 1,990,972 | 5,460,972 |
| 2016-2020 | 18,965,000 | 7,516,675 | 26,481,675 |
| 2021-2025 | 15,415,000 | 3,050,850 | 18,465,850 |
| 2026-2030 | 6,535,000 | 1,040,272 | 7,575,272 |
| 2031-2033 | 955,000 | 75,209 | 1,030,209 |
| | <u>\$ 57,970,000</u> | <u>\$ 22,788,915</u> | <u>\$ 80,758,915</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% to construct a new Criminal Justice Center. In September 2001, the Fayette County Public Facilities Authority issued \$50,435,000 of Series 2001 Refunding Revenue Bonds with an average interest rate of 3.82% to partially advance refund \$45,570,000 of the Series 2000 bonds. The net proceeds of \$49,668,979 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2000 bonds. As a result, \$45,570,000 of the Series 2000 bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt group.

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

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2010:

| Bond Issue | Balance July 1, 2009 | Additions | Reductions | Balance June 30, 2010 | Current Portion |
|-------------|-------------------------|-------------|---------------------|--------------------------|---------------------|
| Series 2000 | \$ 1,185,000 | \$ - | \$ 1,185,000 | \$ - | \$ - |
| Series 2001 | 48,225,000 | - | 230,000 | 47,995,000 | 1,490,000 |
| | <u>\$ 49,410,000</u> | <u>\$ -</u> | <u>\$ 1,415,000</u> | <u>\$ 47,995,000</u> | <u>\$ 1,490,000</u> |

F. Long-Term Debt-Continued

At June 30, 2010 the County was obligated to make payments of principal and interest on the Series 2001 Fayette County Public Facilities Authority outstanding revenue bond debt as follows:

| Fiscal years ending June 30, | Principal | Interest | Total Debt Service |
|------------------------------|----------------------|----------------------|----------------------|
| 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 | 1,765,000 | 2,077,638 | 3,842,638 |
| 2016-2020 | 10,215,000 | 8,989,276 | 19,204,276 |
| 2021-2025 | 13,030,000 | 6,178,750 | 19,208,750 |
| 2026-2030 | 16,640,000 | 2,577,000 | 19,217,000 |
| | <u>\$ 47,995,000</u> | <u>\$ 28,846,476</u> | <u>\$ 76,841,476</u> |

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

At June 30, 2010 \$60,675,000 of outstanding revenue bonds are considered defeased. Fayette County Public Facilities Authority defeased bond amount of \$45,570,000 and the Water System's defeased bonds of \$15,105,000.

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 had previously outstanding nine GEFA loans for various water system construction projects. These outstanding GEFA loans were paid off with the proceeds from the 2009 water revenue bonds.

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

F. Long-Term Debt -Continued

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

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

| | Balance July 1, 2009 | Additions | Reductions | Balance June 30, 2010 | Due Within One Year |
|---------------------------------|-------------------------|----------------------|----------------------|--------------------------|------------------------|
| Governmental Activities | | | | | |
| Public Facilities Authority | \$ 49,410,000 | \$ - | \$ 1,415,000 | \$ 47,995,000 | \$ 1,490,000 |
| Certificate of Participation | 3,981,203 | - | 761,203 | 3,220,000 | - |
| Compensated Absences | 2,218,064 | 257,774 | - | 3,152,017 | - |
| OPEB liability | 191,350 | 191,350 | 16,417 | 366,283 | - |
| Capital Leases | 3,672,183 | - | 886,050 | 2,786,133 | 907,501 |
| | <u>\$ 59,472,800</u> | <u>\$ 449,124</u> | <u>\$ 3,078,670</u> | <u>\$ 57,519,433</u> | <u>\$ 2,397,501</u> |
| Business-Type Activities | | | | | |
| Revenue Bonds | \$ 37,760,000 | \$ 36,340,000 | \$ 16,130,000 | \$ 57,970,000 | \$ 2,890,000 |
| GEFA loans | 6,648,751 | - | 6,648,751 | - | - |
| Compensated Absences | 113,464 | 36,855 | - | 150,319 | 17,463 |
| | <u>\$ 44,522,215</u> | <u>\$ 36,376,855</u> | <u>\$ 22,778,751</u> | <u>\$ 58,120,319</u> | <u>\$ 2,907,463</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 Worker's Compensation Self-Insurance Internal Service Funds is to pay workers' compensation claims from accumulated assets of the fund and minimize the total cost of workers' compensation insurance to the County. Specific and aggregate excess insurance is provided through a private insurance carrier.

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

Fayette County established its Major Medical Self-Insurance Internal Service Fund in the 1991 fiscal year, and on June 1, 2002 became fully insured. On June 1, 2010 the county once again became self-insured.

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

All funds of the County participate in these programs and make payments to these Internal Service Funds based on actuarial estimates of the amounts needed to pay prior and current year claims, claim reserves, and administrative costs of the programs. The claims liability of \$363,331 reported at June 30, 2010, is based on requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

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

A. Risk Management-Continued

Changes in the funds claims liability amounts in fiscal years 2009 and 2010 were as follows:

| | Beginning <u>Liabilities</u> | Current Yr Claims & Changes <u>in Estimates</u> | Less claim <u>Payments</u> | End of Fiscal Year <u>Liabilities</u> |
|------------------------------|---------------------------------|---|-------------------------------|---|
| Workers' Compensation | | | | |
| FY2009 | 16,602 | 278,473 | 280,480 | 14,595 |
| FY2010 | 14,595 | 299,760 | 294,180 | 20,175 |
| Dental/Vision Self-Insurance | | | | |
| FY2009 | 5,392 | 391,444 | 376,934 | 19,902 |
| FY2010 | 19,902 | 386,206 | 371,277 | 34,831 |
| Medical Self-Insurance Fund | | | | |
| FY2009 | - | - | - | - |
| FY2010 | - | 372,533 | 64,208 | 308,325 |

B. Post-employment Healthcare Plan

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

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

At June 30, 2010 the County has 18 employees eligible for this benefit, there are five employees 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. The plan is administered by the County. For the year ended June 30, 2010 the County paid \$16,417 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 | | 80,709 |
| Annual required contribution | \$ | 191,350 |
| Expected employer benefit payments | | (16,417) |
| Increase in net OPEB obligation | \$ | 174,933 |
| Net OPEB obligation, beginning of year | | 191,350 |
| Net OPEB obligation, end of year | \$ | 366,283 |

B. Post-employment Healthcare Plan-Continued

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|------------------------------|-----------------------------|---|------------------------------------|
| 2009 | \$ 191,350 | 0% | \$ 191,350 |
| 2010 | 191,350 | 9% | 366,283 |

As of June 30, 2010 the actuarial accrued liability was \$1,451,450 and the actuarial value of assets set aside to fund this liability was zero, the resulting unfunded accrued actuarial liability is \$1,451,450. The annual OPEB cost for the fiscal year 2010 was \$191,350 of which \$16,417 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. That amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts to be immaterial based upon previous experience. The County is a defendant in various litigations. Although the outcome of these lawsuits is not presently determinable it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

E. Employees' Pension Plan

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

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

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

E. Employees' Pension Plan-Continued

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

| | | |
|--|---------------------|-------------------|
| Derivation of Net Pension Obligation: | <u>2010</u> | <u>2009*</u> |
| Net Pension Obligation as of Beginning of PY | \$ - | \$ - |
| Annual Pension Cost for PY | 298,235 | - |
| Actual Contributions to Plan for PY | <u>611,428</u> | <u>-</u> |
| Increase (decrease) in Net Pension Obligation | \$ (313,193) | \$ - |
| Net Pension Obligation as of Beginning of the Year | <u>\$ (313,193)</u> | <u>\$ -</u> |
| Derivation of Annual Pension Cost: | | |
| Annual Required Contribution | \$ 760,869 | \$ 298,235 |
| Interest on Net Pension Obligation | (24,272) | - |
| Amortization of Net Pension Obligation | <u>25,971</u> | <u>-</u> |
| Annual Pension Cost | <u>\$ 762,568</u> | <u>\$ 298,235</u> |

* For the plan year July 1, 2009 to December 31, 2009.

Basis of Valuation

| | |
|---------------------------------------|-------------------------------|
| Current Valuation Date | January 1, 2010 |
| Annual Return on Invested Plan Assets | 7.75% |
| Projected Annual Salary Increases | 3.5%-6.0% based on age |
| Expected Annual Inflation | 3.00% |
| Actuarial Value of Assets | Market Value |
| Actuarial Funding Method | Projected Unit Credit |
| Amortization Method | Level Percent of Pay (Closed) |

Trend Information for the Plan

| Fiscal Year | Annual Pension Cost | Actual County Contribution | Percentage of APC Contributed | Net Pension Obligation |
|------------------|---------------------|----------------------------|-------------------------------|------------------------|
| <u>Beginning</u> | <u>(APC)</u> | <u>Contribution</u> | <u>Contributed</u> | <u>Obligation</u> |
| January 1, 2010 | \$ 762,568 | N/A | N/A | \$ (313,193) |
| July 1, 2009 | 298,235 * | 611,428 | 205% | - |

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

In conjunction with the defined benefit plan, the County offers a defined contribution plan administered by Mass Mutual. The 401(a) pension plan is a defined contribution plan that covers substantially all full time County employees. Under the current provisions, the County will match contributions made by an employee to the deferred compensation plan on a 1 for 2 basis up to a maximum contribution by the County of 2.5%. Contributions are calculated and made on a biweekly payroll basis. During the fiscal year, employees contributed \$2,004,893 to the defined contribution plan and the County contributed \$624,506 in matching funds. The Board of Commissioners establishes matching percentages.

F. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Fayette County. The County's membership dues paid to the ARC for the year ended June 30, 2010 were \$108,350. Membership in the ARC is required by the Official Code of Georgia (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-9-30.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements of the ARC may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.



REQUIRED SUPPLEMENTARY INFORMATION

Fayette County, Georgia
Schedule of Funding Progress – OPEB and Defined Benefit
June 30, 2010

Schedule of Funding Progress
OPEB

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

Schedule of Funding Progress
Defined Benefit Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL)- Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/(c)) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 12/31/2009 | \$ 15,311,443 | \$ 15,500,023 | \$ 188,580 | 98.8% | \$ 30,397,046 | 0.6% |

During 2010 contributions of approximately \$450,000 in excess of required contributions have been made. These additional contributions will be reflected in the 12/31/2010 actuarial valuation.

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, 2010

| | Budgeted Amounts | | Actual | Variance |
|--------------------------------|-------------------|-------------------|-------------------|---------------------|
| | Original | Final | | Positive (Negative) |
| Revenues: | | | | |
| Property taxes | \$ 29,708,000 | \$ 29,185,338 | \$ 29,270,646 | \$ 85,308 |
| Sales taxes | 9,000,000 | 9,398,570 | 9,635,056 | 236,486 |
| Other taxes | 872,050 | 872,050 | 1,224,064 | 352,014 |
| Licenses and permits | 386,750 | 386,750 | 424,201 | 37,451 |
| Intergovernmental | 552,485 | 555,628 | 629,754 | 74,126 |
| Charges for services | 1,625,295 | 1,650,511 | 1,681,654 | 31,143 |
| Fines and forfeitures | 1,507,000 | 1,507,000 | 1,494,284 | (12,716) |
| Investment Income | 500,000 | 275,000 | 123,722 | (151,278) |
| Contributions/Donations | 6,000 | 17,435 | 30,735 | 13,300 |
| Miscellaneous revenues | <u>226,300</u> | <u>298,685</u> | <u>236,218</u> | <u>(62,467)</u> |
| Total revenues | <u>44,383,880</u> | <u>44,146,967</u> | <u>44,750,334</u> | <u>603,367</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | | | | |
| Commissioners | 567,851 | 813,744 | 808,383 | 5,361 |
| Administration | 330,304 | 338,271 | 316,513 | 21,758 |
| Elections | 370,493 | 438,592 | 402,269 | 36,323 |
| Finance | 914,236 | 924,246 | 901,375 | 22,871 |
| Purchasing | 246,056 | 246,906 | 235,568 | 11,338 |
| Law Department | 212,750 | 208,553 | 157,050 | 51,503 |
| Information Systems | 762,510 | 774,765 | 699,351 | 75,414 |
| Human Resources | 491,058 | 503,878 | 422,904 | 80,974 |
| Tax Commissioner | 1,025,545 | 1,028,325 | 941,498 | 86,827 |
| Tax Assessor | 889,105 | 877,124 | 766,976 | 110,148 |
| Building & Grounds Maintenance | 1,729,808 | 1,760,413 | 1,621,638 | 138,775 |
| Engineering Office | 150,296 | 218,669 | 213,677 | 4,992 |
| Contingency | 1,000,000 | 743,391 | - | 743,391 |
| Non-Departmental | <u>485,841</u> | <u>533,243</u> | <u>473,490</u> | <u>59,753</u> |
| Total General Government | <u>9,175,853</u> | <u>9,410,120</u> | <u>7,960,692</u> | <u>1,449,428</u> |
| Judicial System | | | | |
| Judges, Court Reporter | 349,514 | 364,898 | 356,257 | 8,641 |
| Clerk of Superior Court | 1,236,431 | 1,250,437 | 1,194,905 | 55,532 |
| District Attorney | 331,160 | 331,554 | 330,928 | 626 |
| Clerk of State Court | 285,321 | 289,176 | 264,755 | 24,421 |
| State Court Solicitor | 503,042 | 525,647 | 504,255 | 21,392 |
| State Court Judge | 356,280 | 356,283 | 343,690 | 12,593 |
| Magistrate Court | 475,681 | 475,685 | 467,020 | 8,665 |
| Probate Court | 305,171 | 306,799 | 284,563 | 22,236 |
| Juvenile Court | 330,591 | 328,775 | 318,026 | 10,749 |
| Public Defender | 484,799 | 484,799 | 484,799 | - |
| Non-Departmental | <u>274,963</u> | <u>247,084</u> | <u>231,932</u> | <u>15,152</u> |
| Total Judicial System | <u>4,932,953</u> | <u>4,961,137</u> | <u>4,781,130</u> | <u>180,007</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, 2010

| | Budgeted Amounts | | Actual | Variance |
|--|-------------------|-------------------|-------------------|---------------------|
| | Original | Final | | Positive (Negative) |
| Public Safety | | | | |
| Marshal | 724,911 | 730,698 | 697,541 | 33,157 |
| Sheriff's Department | 16,018,090 | 16,341,551 | 16,016,819 | 324,732 |
| County Coroner | 67,560 | 72,114 | 68,674 | 3,440 |
| Animal Control | 371,908 | 377,028 | 319,141 | 57,887 |
| Public Safety & Emergency Management | 459,708 | 472,348 | 466,616 | 5,732 |
| Non-Departmental | 741,746 | 918,398 | 862,225 | 56,173 |
| Total Public Safety | <u>18,383,923</u> | <u>18,912,137</u> | <u>18,431,016</u> | <u>481,121</u> |
| Public Works | | | | |
| Public Works Administration | 192,273 | 191,824 | 182,292 | 9,532 |
| Road Department | 3,850,621 | 2,946,348 | 2,357,829 | 588,519 |
| Stormwater Management | 326,376 | 331,615 | 322,355 | 9,260 |
| Maintenance & Shop | 518,938 | 519,369 | 501,635 | 17,734 |
| Total Public Works | <u>4,888,208</u> | <u>3,989,156</u> | <u>3,364,111</u> | <u>625,045</u> |
| Health and Welfare | | | | |
| Department of Physical Health | 337,324 | 337,553 | 337,292 | 261 |
| Fayette Counseling Center | 127,939 | 127,939 | 127,939 | - |
| Department of Family & Children Services | 40,128 | 40,128 | 40,128 | - |
| Fayette Community Options | 60,480 | 60,480 | 60,480 | - |
| Senior Citizens Center | 112,556 | 112,556 | 109,856 | 2,700 |
| Youth Protection | 19,743 | 19,743 | 19,743 | - |
| Total Health and Welfare | <u>698,170</u> | <u>698,399</u> | <u>695,438</u> | <u>2,961</u> |
| Culture/Recreation | | | | |
| Recreation | 1,193,758 | 1,215,033 | 1,091,098 | 123,935 |
| Libraries | 786,324 | 801,179 | 758,524 | 42,655 |
| Total Culture/Recreation | <u>1,980,082</u> | <u>2,016,212</u> | <u>1,849,622</u> | <u>166,590</u> |
| Planning & Community Development | | | | |
| County Extension | 126,921 | 121,821 | 101,334 | 20,487 |
| Ga Forestry Commission | 1,369 | 1,369 | 1,369 | - |
| Permits & Inspections | 442,993 | 441,994 | 428,702 | 13,292 |
| Planning & Zoning | 425,449 | 425,688 | 408,968 | 16,720 |
| Development Authority | 302,998 | 304,528 | 304,361 | 167 |
| Total Planning & Community Development | <u>1,299,730</u> | <u>1,295,400</u> | <u>1,244,734</u> | <u>50,666</u> |
| Total current expenditures | <u>41,358,919</u> | <u>41,282,561</u> | <u>38,326,743</u> | <u>2,955,818</u> |
| Debt Service | | | | |
| Principal payment | 2,239,941 | 2,239,941 | 2,239,941 | - |
| Interest payments | 2,599,755 | 2,599,755 | 2,598,767 | 988 |
| Total debt service | <u>4,839,696</u> | <u>4,839,696</u> | <u>4,838,708</u> | <u>988</u> |
| Total expenditures | <u>46,198,615</u> | <u>46,122,257</u> | <u>43,165,451</u> | <u>2,956,806</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, 2010

| | Budgeted Amounts | | Actual | Variance |
|--------------------------------------|----------------------|----------------------|----------------------|---------------------|
| | Original | Final | | Positive (Negative) |
| Excess of revenues over expenditures | (1,814,735) | (1,975,290) | 1,584,883 | 3,560,173 |
| Other financing sources (uses): | | | | |
| Transfers in-Street Lights | 4,000 | 4,000 | 4,000 | - |
| Transfers in-Water System | 700,785 | 700,785 | 700,785 | - |
| Transfers in-SPLOST | 1,223,000 | 1,223,000 | 1,181,048 | (41,952) |
| Transfers in-Solid Waste | 5,272 | 5,272 | 5,272 | - |
| Transfers in-E911 | - | 14,955 | 14,955 | - |
| Transfers out-E911 | (303,999) | (303,999) | (303,999) | - |
| Transfer out-Capital Projects | - | (190,289) | (190,289) | - |
| Transfers out- Workers Compensation | - | (72,000) | (72,000) | - |
| Transfers out-Workers Compensation | - | (938,386) | (938,386) | - |
| Sale of capital asset | - | - | 54,095 | 54,095 |
| Total other financing sources (uses) | 1,629,058 | 443,338 | 455,481 | 12,143 |
| Net change in fund balances | (185,677) | (1,531,952) | 2,040,364 | 3,572,316 |
| Fund balances - beginning | 32,953,339 | 32,953,339 | 32,953,339 | - |
| Fund balances - ending | <u>\$ 32,767,662</u> | <u>\$ 31,421,387</u> | <u>\$ 34,993,703</u> | <u>\$ 3,572,316</u> |

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

For the fiscal year ended June 30, 2010

| | Budgeted Amounts | | Actual | Variance |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | | Positive (Negative) |
| Revenues: | | | | |
| Taxes | \$ 7,461,300 | \$ 7,460,562 | \$ 7,513,658 | \$ 53,096 |
| Charges for services | 45,000 | 45,000 | 60,537 | 15,537 |
| Intergovernmental | - | - | - | - |
| Interest income | 46,000 | 46,000 | 13,160 | (32,840) |
| Donations | - | - | 1,200 | 1,200 |
| Other miscellaneous revenues | 37,500 | 37,500 | 36,048 | (1,452) |
| Total revenues | 7,589,800 | 7,589,062 | 7,624,603 | 35,541 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Fire services | 7,546,821 | 7,491,257 | 7,091,759 | 399,498 |
| Capital Outlay: | | | | |
| Fire services | 8,500 | 10,178 | 9,936 | 242 |
| Total expenditures | 7,555,321 | 7,501,435 | 7,101,695 | 399,740 |
| Other financing sources (uses): | | | | |
| Transfers out | - | (3,670,635) | (3,670,635) | - |
| Sales of general fixed assets | - | - | 7,695 | 7,695 |
| Total other financing (uses) | - | (3,670,635) | (3,662,940) | 7,695 |
| Net change in fund balances | 34,479 | (3,583,008) | (3,140,032) | 442,976 |
| Fund balances - beginning | 6,130,842 | 6,130,842 | 6,130,842 | - |
| Fund balances - ending | <u>\$ 6,165,321</u> | <u>\$ 2,547,834</u> | <u>\$ 2,990,810</u> | <u>\$ 442,976</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, 2010

| | Budgeted Amounts | | | Variance |
|---------------------------------|---------------------|-------------------|---------------------|---------------------|
| | Original | Final | Actual | Positive (Negative) |
| Revenues: | | | | |
| Taxes | \$ 1,933,900 | \$ 1,927,109 | \$ 1,961,433 | \$ 34,324 |
| Charges for services | 1,300,000 | 1,300,000 | 1,489,572 | 189,572 |
| Interest income | 800 | 800 | 356 | (444) |
| Other miscellaneous revenues | - | - | 121 | 121 |
| Total revenues | 3,234,700 | 3,227,909 | 3,451,482 | 223,573 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| EMS Program | 3,026,798 | 3,070,981 | 2,875,269 | 195,712 |
| Capital Outlay: | | | | |
| Public safety: | 500 | 1,235 | 735 | 500 |
| Total expenditures | 3,027,298 | 3,072,216 | 2,876,004 | 196,212 |
| Other financing sources (uses): | | | | |
| Transfers out | - | (90,000) | (90,000) | - |
| Total other financing (uses) | - | (90,000) | (90,000) | - |
| Net change in fund balances | 207,402 | 65,693 | 485,478 | 419,785 |
| Fund balances - beginning | 855,308 | 855,308 | 855,308 | - |
| Fund balances - ending | <u>\$ 1,062,710</u> | <u>\$ 921,001</u> | <u>\$ 1,340,786</u> | <u>\$ 419,785</u> |



Where Quality Is A Lifestyle

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

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

Emergency 911

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

Grants

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

Street Lights Fund

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

Law Enforcement Confiscated Monies (LECM)

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

Fine Surcharges

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

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

Special Purpose Local Option Sales Tax (SPLOST)

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

Criminal Justice Center Construction

To account for the construction of the criminal justice center.

Kenwood Park Construction

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

Early Warning Siren System

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

General Capital Projects

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

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

June 30, 2010

| | Special Revenue Funds | Capital Project Funds | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------------|--|
| Assets | | | |
| Unrestricted cash | \$ 3,497,234 | \$ 8,279,200 | \$ 11,776,434 |
| Restricted cash | - | 9,124,960 | 9,124,960 |
| Accrued interest | 5 | 301 | \$ 306 |
| Receivables | 365,023 | 34,415 | 399,438 |
| Prepaid | 8,085 | 29,535 | 37,620 |
| Taxes (net of allowance for uncollectible accounts) | 13,042 | - | 13,042 |
| Total assets | <u>3,883,389</u> | <u>17,468,411</u> | <u>21,351,800</u> |
| Liabilities: | | | |
| Cash overdraft | 3,527 | - | 3,527 |
| Accounts payable | 100,628 | 140,881 | 241,509 |
| Contracts payable | - | - | - |
| Accrued payroll and withholdings | 57,873 | - | 57,873 |
| Compensated absences payable | 12,146 | - | 12,146 |
| Due to others | 0 | - | - |
| Deferred revenue | 11,552 | - | 11,552 |
| Total liabilities | <u>185,726</u> | <u>140,881</u> | <u>326,607</u> |
| Fund Balances: | | | |
| Reserved for: | | | |
| Future Expenditures | - | 9,303,727 | 9,303,727 |
| Prepays | 7,609 | 29,535 | 37,144 |
| Unreserved: | | | |
| Designated for L.E.C.M. federal/state | 2,167,474 | - | 2,167,474 |
| Designated for law library | 38,221 | - | 38,221 |
| Designated for victim assistance | 13,101 | - | 13,101 |
| Designated for drug abuse | 77,545 | - | 77,545 |
| Designated for juvenile court supervision | 84,328 | - | 84,328 |
| Designated for working capital | 796,927 | - | 796,927 |
| Designated for capital improvements | - | 7,994,268 | 7,994,268 |
| Unreserved, undesignated | 512,458 | - | 512,458 |
| Total fund balances | <u>3,697,663</u> | <u>17,327,530</u> | <u>21,025,193</u> |
| Total liabilities and fund balances | <u>\$ 3,883,389</u> | <u>\$ 17,468,411</u> | <u>\$ 21,351,800</u> |

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

June 30, 2010

| | Emergency 911 | Grants | Street Lights | Law Enforcement Confiscated Monies (L.E.C.M.) | Fine Surcharges | Total |
|--|---------------------|------------------|------------------|--|--------------------|---------------------|
| ASSETS | | | | | | |
| Unrestricted cash | \$ 954,714 | \$ - | \$ 34,015 | \$ 2,146,924 | \$ 361,581 | \$ 3,497,234 |
| Accounts receivable | 254,965 | 26,220 | - | 20,074 | 63,764 | 365,023 |
| Prepaid items | 7,609 | - | - | 476 | - | 8,085 |
| Accrued interest | 5 | - | - | - | - | 5 |
| Taxes (net of allowance for uncollectible accounts) | - | - | 13,042 | - | - | 13,042 |
| Total assets | 1,217,293 | 26,220 | 47,057 | 2,167,474 | 425,345 | 3,883,389 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Cash overdraft | - | 3,527 | - | - | - | 3,527 |
| Accounts payable | 27,615 | 7,227 | - | - | 65,786 | 100,628 |
| Accrued payroll and withholdings | 55,939 | - | - | - | 1,934 | 57,873 |
| Compensated absences payable | 10,996 | - | - | - | 1,150 | 12,146 |
| Due to others | - | - | - | - | - | - |
| Deferred revenues | - | - | 11,552 | - | - | 11,552 |
| Total liabilities | 94,550 | 10,754 | 11,552 | - | 68,870 | 185,726 |
| Fund Balances: | | | | | | |
| Reserved for prepaids | 7,609 | - | - | - | - | 7,609 |
| Unreserved: | | | | | | |
| Designated for L.E.C.M. federal/state | - | - | - | 2,167,474 | - | 2,167,474 |
| Designated for law library | - | - | - | - | 38,221 | 38,221 |
| Designated for victim assistance | - | - | - | - | 13,101 | 13,101 |
| Designated for drug abuse | - | - | - | - | 77,545 | 77,545 |
| Designated for juvenile court supervision | - | - | - | - | 84,328 | 84,328 |
| Designated for working capital | 653,647 | - | - | - | 143,280 | 796,927 |
| Undesignated | 461,487 | 15,466 | 35,505 | - | - | 512,458 |
| Total fund balances | 1,122,743 | 15,466 | 35,505 | 2,167,474 | 356,475 | 3,697,663 |
| Total liabilities and fund balances | \$ 1,217,293 | \$ 26,220 | \$ 47,057 | \$ 2,167,474 | \$ 425,345 | \$ 3,883,389 |

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

June 30, 2010

| | Criminal Justice Center Construction | SPLOST Library | Kenwood Park Construction | Early Warning Siren System | General Capital Projects | Totals |
|--------------------------------------|---|-------------------|------------------------------|----------------------------------|--------------------------------|---------------|
| ASSETS | | | | | | |
| Unrestricted cash | \$ 185,138 | \$ - | \$ 737,512 | \$ 111,234 | \$ 7,245,316 | \$ 8,279,200 |
| Restricted cash | 7,994,705 | 1,130,255 | - | - | - | 9,124,960 |
| Accrued interest | 26 | - | 64 | 3 | 208 | 301 |
| Other Receivables | - | - | - | - | 34,415 | 34,415 |
| Prepaid | - | 29,535 | - | - | - | 29,535 |
| Total assets | 8,179,869 | 1,159,790 | 737,576 | 111,237 | 7,279,939 | 17,468,411 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | - | 6,397 | - | - | 134,484 | 140,881 |
| Total liabilities | - | 6,397 | - | - | 134,484 | 140,881 |
| Fund Balances: | | | | | | |
| Reserved for: | | | | | | |
| Prepays | | 29,535 | | | | 29,535 |
| Future expenditures | 8,179,869 | 1,123,858 | - | - | - | 9,303,727 |
| Unreserved: | | | | | | |
| Designated for capital improvements | - | - | 737,576 | 111,237 | 7,145,455 | 7,994,268 |
| Total fund balances | 8,179,869 | 1,153,393 | 737,576 | 111,237 | 7,145,455 | 17,327,530 |
| Total liabilities and fund balances | \$ 8,179,869 | \$ 1,159,790 | \$ 737,576 | \$ 111,237 | \$ 7,279,939 | \$ 17,468,411 |

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

For the fiscal year ended June 30, 2010

| | Special Revenue Funds | Capital Project Funds | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------------|--|
| Revenues: | | | |
| Property taxes | \$ 307,018 | \$ - | \$ 307,018 |
| Intergovernmental | 758,508 | - | 758,508 |
| User charges | 1,910,886 | - | 1,910,886 |
| Fine surcharges | 1,648,442 | - | 1,648,442 |
| Interest income | 1,606 | 10,260 | 11,866 |
| Other revenue | 121,012 | 126,964 | 247,976 |
| Total revenues | <u>4,747,472</u> | <u>137,224</u> | <u>4,884,696</u> |
| Expenditures: | | | |
| Current: | | | |
| Judicial System | 326,534 | - | 326,534 |
| Public Safety | 3,636,981 | - | 3,636,981 |
| Public Works | 279,711 | - | 279,711 |
| Parks, Recreation and Culture | | 133,996 | 133,996 |
| Capital Outlay: | | | |
| General Government | - | 1,036,031 | 1,036,031 |
| Public Safety | 886,178 | - | 886,178 |
| Intergovernmental | - | - | - |
| Total expenditures | <u>5,129,404</u> | <u>1,170,027</u> | <u>6,299,431</u> |
| Excess (deficiency) of revenues over (under) expenditures | (381,932) | (1,032,803) | (1,414,735) |
| Other Financing sources (uses): | | | |
| Transfers in | 307,634 | 3,658,463 | 3,966,097 |
| Transfers out | (18,955) | (193,174) | (212,129) |
| Total other financing sources (uses) | <u>288,679</u> | <u>3,465,289</u> | <u>3,753,968</u> |
| Net change in fund balances | <u>(93,253)</u> | <u>2,432,486</u> | <u>2,339,233</u> |
| Fund balances - beginning | <u>3,790,916</u> | <u>14,895,044</u> | <u>18,685,960</u> |
| Fund balances - ending | <u>\$ 3,697,663</u> | <u>\$ 17,327,530</u> | <u>\$ 21,025,193</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, 2010

| | Emergency 911 | Grants | Street Lights | Law Enforcement Confiscated Monies (L.E.C.M.) | Fine Surcharges | Total |
|--|---------------------|------------------|------------------|--|--------------------|---------------------|
| Revenues: | | | | | | |
| Property taxes | \$ - | \$ - | \$ 307,018 | \$ - | \$ - | \$ 307,018 |
| Intergovernmental | 340,195 | 31,730 | - | - | 386,583 | 758,508 |
| User charges | 1,910,886 | - | - | - | - | 1,910,886 |
| Fine surcharges | - | - | - | 1,280,611 | 367,831 | 1,648,442 |
| Interest income | 66 | - | - | 1,508 | 32 | 1,606 |
| Other revenue | - | - | 11,426 | 109,586 | - | 121,012 |
| Total revenues | <u>2,251,147</u> | <u>31,730</u> | <u>318,444</u> | <u>1,391,705</u> | <u>754,446</u> | <u>4,747,472</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Judicial System | - | 6,537 | - | - | 319,997 | 326,534 |
| Public Safety | 2,381,246 | 2,273 | - | 791,937 | 461,525 | 3,636,981 |
| Public Works | - | - | 279,711 | - | - | 279,711 |
| Capital outlay: | | | | | | |
| Public Safety | 27,493 | 25,236 | - | 833,449 | - | 886,178 |
| Total expenditures | <u>2,408,739</u> | <u>34,046</u> | <u>279,711</u> | <u>1,625,386</u> | <u>781,522</u> | <u>5,129,404</u> |
| Excess (deficiency) of revenues over (under) expenditures | (157,592) | (2,316) | 38,733 | (233,681) | (27,076) | (381,932) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 303,999 | 3,635 | - | - | - | 307,634 |
| Transfers out | (14,955) | - | (4,000) | - | - | (18,955) |
| Total other financing sources (uses) | <u>289,044</u> | <u>3,635</u> | <u>(4,000)</u> | <u>-</u> | <u>-</u> | <u>288,679</u> |
| Net change in fund balances | 131,452 | 1,319 | 34,733 | (233,681) | (27,076) | (93,253) |
| Fund balances - beginning | 991,291 | 14,147 | 772 | 2,401,155 | 383,551 | 3,790,916 |
| Fund balances - ending | <u>\$ 1,122,743</u> | <u>\$ 15,466</u> | <u>\$ 35,505</u> | <u>\$ 2,167,474</u> | <u>\$ 356,475</u> | <u>\$ 3,697,663</u> |

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, 2010

| | 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 | \$ 471 | \$ 2,293 | \$ 751 | \$ 37 | \$ 6,708 | \$ 10,260 |
| Other Revenues | - | - | - | - | 126,964 | 126,964 |
| Total revenues | <u>471</u> | <u>2,293</u> | <u>751</u> | <u>37</u> | <u>133,672</u> | <u>137,224</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Parks, Recreation and Culture | - | 133,996 | - | - | - | 133,996 |
| Capital outlay: | | | | | | |
| General Government | - | - | - | - | 1,036,031 | 1,036,031 |
| Total current expenditures | <u>-</u> | <u>133,996</u> | <u>-</u> | <u>-</u> | <u>1,036,031</u> | <u>1,170,027</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>471</u> | <u>(131,703)</u> | <u>751</u> | <u>37</u> | <u>(902,359)</u> | <u>(1,032,803)</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | 3,658,463 | 3,658,463 |
| Transfers out | - | - | - | - | (193,174) | (193,174) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,465,289</u> | <u>3,465,289</u> |
| Net change in fund balances | <u>471</u> | <u>(131,703)</u> | <u>751</u> | <u>37</u> | <u>2,562,930</u> | <u>2,432,486</u> |
| Fund balances - beginning | <u>8,179,398</u> | <u>1,285,096</u> | <u>736,825</u> | <u>111,200</u> | <u>4,582,525</u> | <u>14,895,044</u> |
| Fund balances - ending | <u>\$ 8,179,869</u> | <u>\$ 1,153,393</u> | <u>\$ 737,576</u> | <u>\$ 111,237</u> | <u>\$ 7,145,455</u> | <u>\$ 17,327,530</u> |

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

For the fiscal year ended June 30, 2010

| | Budgeted Amounts | | | Variance |
|---------------------------------|-------------------|-------------------|---------------------|---------------------|
| | Original | Final | Actual | Positive (Negative) |
| Revenues: | | | | |
| Charges for services | \$ 1,895,000 | \$ 1,913,032 | \$ 1,910,886 | \$ (2,146) |
| Intergovernmental | 340,195 | 340,195 | 340,195 | - |
| Interest Income | - | - | 66 | 66 |
| Total revenues | <u>2,235,195</u> | <u>2,253,227</u> | <u>2,251,147</u> | <u>(2,080)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Emergency Services | 2,606,944 | 2,610,516 | 2,381,246 | 229,270 |
| Capital outlay | <u>19,442</u> | <u>31,337</u> | <u>27,493</u> | <u>3,844</u> |
| Total expenditures | 2,626,386 | 2,641,853 | 2,408,739 | 233,114 |
| Other financing sources (uses): | | | | |
| Transfers in | 303,999 | 303,999 | 303,999 | - |
| Transfers out | <u>-</u> | <u>(14,955)</u> | <u>(14,955)</u> | <u>-</u> |
| Total other financing uses | <u>303,999</u> | <u>289,044</u> | <u>289,044</u> | <u>-</u> |
| Net change in fund balances | (87,192) | (99,582) | 131,452 | 231,034 |
| Fund balances - beginning | <u>991,291</u> | <u>991,291</u> | <u>991,291</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 904,099</u> | <u>\$ 891,709</u> | <u>\$ 1,122,743</u> | <u>\$ 231,034</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, 2010

| | Budgeted Amounts | | | Variance |
|---------------------------------|------------------|-----------------|------------------|---------------------|
| | Original | Final | Actual | Positive (Negative) |
| Revenues: | | | | |
| Charges for services | \$ 285,000 | \$ 286,779 | \$ 307,018 | \$ 20,239 |
| Other | - | - | 11,426 | 11,426 |
| Total revenues | <u>285,000</u> | <u>286,779</u> | <u>318,444</u> | <u>31,665</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Works: | | | | |
| Street Lights | <u>278,000</u> | <u>279,779</u> | <u>279,711</u> | <u>68</u> |
| Total expenditures | <u>278,000</u> | <u>279,779</u> | <u>279,711</u> | <u>68</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(4,000)</u> | <u>(4,000)</u> | <u>(4,000)</u> | <u>-</u> |
| Total other financing uses | <u>(4,000)</u> | <u>(4,000)</u> | <u>(4,000)</u> | <u>-</u> |
| Net change in fund balances | <u>3,000</u> | <u>3,000</u> | <u>34,733</u> | <u>31,597</u> |
| Fund balances - beginning | <u>772</u> | <u>772</u> | <u>772</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 3,772</u> | <u>\$ 3,772</u> | <u>\$ 35,505</u> | <u>\$ 31,597</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, 2010

| | Budgeted Amounts | | | Variance |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | Actual | Positive (Negative) |
| Revenues: | | | | |
| Fines & forfeitures | | | | |
| Federal funds | \$ - | \$ 324,157 | \$ 324,158 | \$ 1 |
| State funds | 20,000 | 22,244 | 18,120 | (4,124) |
| US Customs funds | - | 32,333 | 938,333 | 906,000 |
| Other revenue | | | | |
| Federal funds | - | 109,586 | 109,586 | - |
| Interest income | - | 1,119 | 1,508 | 389 |
| Total revenues | <u>20,000</u> | <u>489,439</u> | <u>1,391,705</u> | <u>902,266</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety: | | | | |
| Investigative Services | | | | |
| Federal funds | - | 729,187 | 729,174 | 13 |
| State funds | 32,800 | 49,221 | 30,431 | 18,790 |
| U S Customs | - | 32,333 | 32,332 | 1 |
| Capital outlay: | | | | |
| Federal funds | - | 831,238 | 831,233 | 5 |
| State funds | <u>26,900</u> | <u>13,243</u> | <u>2,216</u> | <u>11,027</u> |
| Total expenditures | <u>59,700</u> | <u>1,655,222</u> | <u>1,625,386</u> | <u>29,836</u> |
| Net change in fund balances | (39,700) | (1,165,783) | (233,681) | 932,102 |
| Fund balances - beginning | <u>2,401,155</u> | <u>2,401,155</u> | <u>2,401,155</u> | - |
| Fund balances - ending | <u>\$ 2,361,455</u> | <u>\$ 1,235,372</u> | <u>\$ 2,167,474</u> | <u>\$ 932,102</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, 2010

| | Budgeted Amounts | | | Variance |
|-------------------------------|-------------------|-------------------|-------------------|---------------------|
| | Original | Final | Actual | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Jail Construction Surcharge | \$ 366,000 | \$ 376,698 | \$ 267,163 | \$ (109,535) |
| Victim Assistance | 100,000 | 100,002 | 119,420 | 19,418 |
| Total Fine Surcharges | <u>466,000</u> | <u>476,700</u> | <u>386,583</u> | <u>(90,117)</u> |
| Fine Surcharges | | | | |
| Jail Construction Surcharge | \$ 137,000 | \$ 137,000 | \$ 136,827 | \$ (173) |
| Victim Assistance | 83,000 | 83,000 | 63,474 | (19,526) |
| Drug Abuse Education Services | 55,000 | 55,793 | 63,481 | 7,688 |
| Juvenile Court Supervision | <u>25,000</u> | <u>25,000</u> | <u>31,663</u> | <u>6,663</u> |
| Total Fine Surcharges | <u>300,000</u> | <u>300,793</u> | <u>295,445</u> | <u>(5,348)</u> |
| Law Library | <u>57,000</u> | <u>57,004</u> | <u>72,418</u> | <u>15,414</u> |
| Total Fees | <u>57,000</u> | <u>57,004</u> | <u>72,418</u> | <u>15,414</u> |
| Total revenues | <u>823,000</u> | <u>834,497</u> | <u>754,446</u> | <u>(80,051)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Judicial System: | | | | |
| Juvenile Court Supervision | 28,800 | 28,800 | 22,403 | 6,397 |
| Law Library | 107,077 | 107,081 | 52,689 | 54,392 |
| Victim Assistance | 182,851 | 182,853 | 171,786 | 11,067 |
| Drug Abuse Education Services | 74,002 | 74,795 | 73,119 | 1,676 |
| Public Safety: | | | | |
| Jail Construction Surcharge | <u>480,495</u> | <u>500,683</u> | <u>461,525</u> | <u>39,158</u> |
| Total expenditures | <u>873,225</u> | <u>894,212</u> | <u>781,522</u> | <u>112,690</u> |
| Net change in fund balances | (50,225) | (59,715) | (27,076) | 32,639 |
| Fund balances - beginning | <u>383,551</u> | <u>383,551</u> | <u>383,551</u> | - |
| Fund balances - ending | <u>\$ 333,326</u> | <u>\$ 323,836</u> | <u>\$ 356,475</u> | <u>\$ 32,639</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, 2010

| | Budgeted Amounts | | | Variance |
|---------------------------------|------------------|------------------|------------------|---------------------|
| | Original | Final | Actual | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental | \$ 401,709 | \$ 404,254 | \$ 25,065 | \$ (379,189) |
| Juvenile Offenders Grant | - | 6,666 | 6,665 | (1) |
| Total revenues | <u>401,709</u> | <u>410,920</u> | <u>31,730</u> | <u>(379,190)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | 2,595 | 2,273 | 322 |
| Judicial system | 356,814 | 356,814 | 6,537 | 350,277 |
| Capital outlay | | | | |
| Public safety | 25,405 | 25,405 | 25,236 | |
| Judicial system | 18,274 | 24,940 | - | 24,940 |
| Total expenditures | <u>400,493</u> | <u>409,754</u> | <u>34,046</u> | <u>375,539</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>3,635</u> | <u>3,635</u> | <u>3,635</u> | - |
| Total other financing uses | 3,635 | 3,635 | 3,635 | - |
| Net change in fund balances | 4,851 | 4,801 | 1,319 | 3,482 |
| Fund balances - beginning | <u>14,147</u> | <u>14,147</u> | <u>14,147</u> | - |
| Fund balances - ending | <u>\$ 18,998</u> | <u>\$ 18,948</u> | <u>\$ 15,466</u> | <u>\$ 3,482</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, 2010

| | County Library | | | Variance Positive (Negative) |
|--------------------------------|------------------------------|-------------|--------------|---------------------------------|
| | Budgeted Amounts Original | Final | Actual | |
| Revenues: | | | | |
| Interest income | \$ - | \$ - | \$ 2,293 | \$ 2,293 |
| Total revenues | - | - | 2,293 | 2,293 |
| Expenditures: | | | | |
| Current: | | | | |
| Parks, Recreation and Culture: | | | | |
| Library Services | 240,000 | 240,000 | 132,246 | 107,754 |
| Capital outlay: | | | | |
| Intergovernmental | - | 1,019,768 | 1,750 | 1,018,018 |
| Total expenditures | 240,000 | 1,259,768 | 133,996 | 1,125,772 |
| Net change in fund balances | (240,000) | (1,259,768) | (131,703) | 1,128,065 |
| Fund balances - beginning | 1,285,096 | 1,285,096 | 1,285,096 | - |
| Fund balances - ending | \$ 1,045,096 | \$ 25,328 | \$ 1,153,393 | \$ 1,128,065 |

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, 2010

| 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 | \$ 191,860 | \$ 451,760 | \$ - | \$ - |
| ROADWAYS | | 14,330,767 | 14,330,767 | 7,944,696 | 4,448,196 | - | - |
| INTEREST EARNED | | - | - | - | - | 449,633 | 12,387 |
| | TOTAL - UNINCORPORATED FAYETTE COUNTY PROJECTS | \$ 16,780,767 | \$ 16,780,767 | \$ 8,136,556 | \$ 4,909,956 | \$ 449,633 | \$ 12,387 |
| TOWN OF BROOKS PROJECTS: | | | | | | | |
| | TOTAL - TOWN OF BROOKS PROJECTS | \$ 212,019 | \$ 212,019 | \$ 154,053 | \$ 24,233 | \$ 51 | \$ - |
| CITY OF FAYETTEVILLE PROJECTS: | | | | | | | |
| | TOTAL - CITY OF FAYETTEVILLE PROJECTS | \$ 4,247,327 | \$ 4,247,327 | \$ 3,086,100 | \$ 485,454 | \$ 601 | \$ 3 |
| PEACHTREE CITY PROJECTS: | | | | | | | |
| | TOTAL - PEACHTREE CITY PROJECTS | \$ 12,025,984 | \$ 12,025,984 | \$ 8,738,057 | \$ 1,374,525 | \$ 1,702 | \$ 7 |
| TOWN OF TYRONE PROJECTS: | | | | | | | |
| | TOTAL - TOWN OF TYRONE PROJECTS | \$ 1,491,083 | \$ 1,491,083 | \$ 1,083,418 | \$ 170,425 | \$ 358 | \$ 1 |
| TOTAL - CITIES, TOWNS, AND UNINCORPORATED COUNTY PROJECTS | | \$ 34,757,180 | \$ 34,757,180 | \$ 21,198,184 | \$ 6,984,593 | \$ 452,345 | \$ 12,398 |
| COUNTYWIDE PROJECTS (70 % Of Total Tax Proceeds) | | | | | | | |
| BRIDGES | | \$ 3,670,000 | \$ 3,670,000 | \$ 44 | \$ 131,761 | \$ - | \$ - |
| INTERSECTIONS | | 3,657,400 | 3,657,400 | 146,011 | 467,554 | - | - |
| ROADWAYS | | 67,975,787 | 67,975,787 | 7,706,723 | 3,048,503 | - | - |
| STREETSCAPES/PATHS | | 5,796,900 | 5,796,900 | 729,778 | - | - | - |
| INTEREST EARNED | | - | - | - | - | 3,515,556 | 173,432 |
| | TOTAL - COUNTY WIDE PROJECTS | \$ 81,100,087 | \$ 81,100,087 | \$ 8,582,556 | \$ 3,647,818 | \$ 3,515,556 | \$ 173,432 |
| | TOTAL - ALL PROJECTS | \$ 115,857,267 | \$ 115,857,267 | \$ 29,780,740 | \$ 10,612,411 | \$ 3,967,901 | \$ 185,830 |

Fayette County, Georgia
Schedule of Projects Funded through Special Purpose Local Option Sales Tax (SPLOST)
Road, Street, and Bridget Purposes
June 30, 2010

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

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

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

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

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

Fayette County, Georgia

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

For the fiscal year ended June 30, 2010

| Project | Year Approved | Original Cost Estimated | Expenditures 1993 - 1997 | Expenditures 1998 - 2009 | Expenditures 2010 | Interest Earned | Surplus Funds |
|---|---------------|----------------------------|-----------------------------|-----------------------------|----------------------|-----------------|---------------|
| Library Construction and Services | November 1992 | \$ 4,000,000 | \$ 2,131,607 | \$ 1,945,984 | \$ 133,996 | \$ 1,364,980 | \$ 1,153,393 |

The library services S.P.L.O.S.T. revenues have constructed and furnished a 28,000 square foot library at a cost of \$3,354,981. The original project cost was \$4,000,000. The County's stewardship of these funds is evident. The total construction cost closed under budget saving \$645,019 for future library services and programs. The surplus funds of \$1,153,393 will fund the current library expansion.

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



Where Quality Is A Lifestyle

COMPONENT UNITS

Fayette County, Georgia Component Units

Fayette County Development Authority

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

The Fayette County Board of Commissioners appoints the Authority's governing board. The County provides a substantial portion of the Authority's revenue (\$290,312 in the year ended June 30, 2010). The Authority cannot levy taxes and cannot issue bonded debt without the approval of the Fayette County Board of Commissioners.

Fayette County Department of Public Health

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

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

The Fayette County Department of Public Health adopts annual budgets in accordance with the programmatic requirements as issued by the Georgia Department of Human Resources. Fayette County Department of Public Health receives significant revenue from the Georgia Department of Human Resources. The County appropriates funds annually to cover a portion of its operating cost (\$328,944 in the year ended June 30, 2010).

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, 2010

| | Fayette County Department of Public Health | Development Authority | Component Unit Totals |
|---|--|--------------------------|-----------------------------|
| Assets: | | | |
| Cash in bank | \$ 586,806 | \$ 325,400 | \$ 912,206 |
| Restricted cash | - | 215,441 | 215,441 |
| Receivables | 34,640 | - | 34,640 |
| Restricted Investment | - | 719,000 | 719,000 |
| Capital assets, net of depreciation | <u>19,471</u> | <u>225,995</u> | <u>245,466</u> |
| Total assets | <u>640,917</u> | <u>1,485,836</u> | <u>2,126,753</u> |
| Liabilities and net assets | | | |
| Liabilities: | | | |
| Accounts payable | 30,972 | 1,064 | 32,036 |
| Due in more than one year | 96,486 | - | 96,486 |
| Payable from restricted assets | <u>-</u> | <u>934,441</u> | <u>934,441</u> |
| Total liabilities | <u>127,458</u> | <u>935,505</u> | <u>1,062,963</u> |
| Net assets | | | |
| Invested in capital assets, net of related debt | 19,471 | 225,995 | 245,466 |
| Unrestricted | <u>493,988</u> | <u>324,336</u> | <u>818,324</u> |
| Total net assets | <u>\$ 513,459</u> | <u>\$ 550,331</u> | <u>\$ 1,063,790</u> |

Fayette County, Georgia
Combining Statement of Activities
Component Units

For the Fiscal Year Ended June 30, 2010

| 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 | \$ 8,328,953 | \$ - | \$ 8,000,000 | \$ (328,953) |
| Health Department | 1,437,873 | 711,157 | 654,322 | (72,394) |
| Total Governmental Activities | <u>9,766,826</u> | <u>711,157</u> | <u>8,654,322</u> | <u>(401,347)</u> |
| General revenues: | | | | |
| Investment earnings | | | | |
| Development Authority | | | | 2,040 |
| Health Department | | | | 13,507 |
| Payments from Fayette County - Development Authority | | | | <u>290,312</u> |
| Total general revenues | | | | 305,859 |
| Change in net assets | | | | (95,488) |
| Net assets at beginning of year | | | | <u>1,159,278</u> |
| Net assets at end of year | | | | <u>\$ 1,063,790</u> |



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 charge for worker's compensation based upon previous insurance carriers' cost charges.

Dental/Vision Self-Insurance Fund

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

Medical Self-Insurance Fund

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

Vehicle Replacement Fund

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

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

June 30, 2010

| ASSETS | Self Insurance Fund | | | | Total |
|---|--------------------------|---------------|---------------------|------------------------|----------------------|
| | Worker's Compensation | Dental/Vision | Medical | Vehicle Replacement | |
| Current Assets | | | | | |
| Unrestricted Cash | \$ 782,533 | \$ 33,404 | \$ 2,022,610 | \$ 4,298,672 | \$ 7,137,219 |
| Restricted Cash | - | - | - | 3,201,965 | 3,201,965 |
| Accrued interest | 135 | - | 342 | 417 | 894 |
| Accounts receivable | 84,518 | 1,983 | - | - | 86,501 |
| Total Current Assets | <u>867,186</u> | <u>35,387</u> | <u>2,022,952</u> | <u>7,501,054</u> | <u>10,426,579</u> |
| Noncurrent assets | | | | | |
| Capital assets | | | | | |
| Machinery and equipment | - | - | - | 3,855,666 | 3,855,666 |
| Vehicles | - | - | - | 11,041,461 | 11,041,461 |
| Total Capital Assets | - | - | - | 14,897,127 | 14,897,127 |
| Accumulated depreciation | - | - | - | (10,549,656) | (10,549,656) |
| Total Capital Assets (net of accumulated depreciation) | - | - | - | 4,347,471 | 4,347,471 |
| Other assets | | | | | |
| Unamortized Debt Issue Cost | - | - | - | 199,466 | 199,466 |
| Total Assets | <u>867,186</u> | <u>35,387</u> | <u>2,022,952</u> | <u>12,047,991</u> | <u>14,973,516</u> |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | - | 549 | 1,523 | 317 | 2,389 |
| Claims payable | 20,175 | 34,831 | 308,325 | - | 363,331 |
| Total current liabilities | <u>20,175</u> | <u>35,380</u> | <u>309,848</u> | <u>317</u> | <u>365,720</u> |
| Long-Term Liabilities | | | | | |
| Certificates of Participation | - | - | - | 3,220,000 | 3,220,000 |
| Total long-term liabilities | - | - | - | 3,220,000 | 3,220,000 |
| Total Liabilities | <u>20,175</u> | <u>35,380</u> | <u>309,848</u> | <u>3,220,317</u> | <u>3,585,720</u> |
| NET ASSETS | | | | | |
| Invested in capital assets | - | - | - | 4,347,470 | 4,347,470 |
| Restricted for debt service | - | - | - | 3,201,965 | 3,201,965 |
| Unrestricted | 847,011 | 7 | 1,713,104 | 1,278,239 | 3,838,361 |
| Total Net Assets | <u>\$ 847,011</u> | <u>\$ 7</u> | <u>\$ 1,713,104</u> | <u>\$ 8,827,674</u> | <u>\$ 11,387,796</u> |

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

For the fiscal year ended June 30, 2010

| | Workers' | Self Insurance Fund | | Vehicle | |
|---|--------------|---------------------|--------------|------------------|---------------|
| | Compensation | Dental/Vision | Medical | Replacement Fund | Total |
| Operating Revenues: | | | | | |
| Charges to other funds | \$ - | \$ 302,949 | \$ 243,306 | \$ - | \$ 546,255 |
| Employee contributions | - | 95,234 | 136,410 | - | 231,644 |
| Total Operating Revenues | - | 398,183 | 379,716 | - | 777,899 |
| Operating Expenses: | | | | | |
| Claims expense | 299,760 | 386,206 | 372,533 | - | 1,058,499 |
| Excess insurance purchased | 76,566 | - | - | - | 76,566 |
| Administrator's fees | 13,000 | 25,787 | 216 | - | 39,003 |
| Other services and charges | 37,753 | - | 430 | - | 38,183 |
| Acquisition of capital assets | - | - | - | 10,691 | 10,691 |
| Amortization expense | - | - | - | 11,082 | 11,082 |
| Depreciation expense | - | - | - | 918,974 | 918,974 |
| Total Operating Expenses | 427,079 | 411,993 | 373,179 | 940,747 | 2,152,998 |
| Operating Income (loss) | (427,079) | (13,810) | 6,537 | (940,747) | (1,375,099) |
| Non-Operating Revenues: | | | | | |
| Interest income | 2,096 | - | 4,165 | 423,709 | 429,970 |
| Total Non-Operating Revenues | 2,096 | - | 4,165 | 423,709 | 429,970 |
| Non-Operating Expenses: | | | | | |
| Interest expense | - | - | - | 262,355 | 262,355 |
| Net Loss on disposition of capital assets | - | - | - | 44,512 | 44,512 |
| Total Non-Operating Expenses | - | - | - | 306,867 | 306,867 |
| Income (Loss) Before Transfers | (424,983) | (13,810) | 10,702 | (823,905) | (1,251,996) |
| Transfers from/(to) other funds | | | | | |
| General Fund | 72,000 | - | - | 938,386 | 1,010,386 |
| EMS Fund | 6,000 | - | - | 84,000 | 90,000 |
| Water System Fund | 8,000 | - | - | - | 8,000 |
| Fire Fund | 14,000 | - | - | 378,000 | 392,000 |
| Dental/Vision Fund | - | - | (9,500) | - | (9,500) |
| Medical Fund | - | 9,500 | - | - | 9,500 |
| Total Transfers from Other Funds | 100,000 | 9,500 | (9,500) | 1,400,386 | 1,500,386 |
| Change in net assets | (324,983) | (4,310) | 1,202 | 576,481 | 248,390 |
| Total net assets-beginning of year | 1,171,994 | 4,317 | 1,711,902 | 8,251,193 | 11,139,406 |
| Total net assets-end of year | \$ 847,011 | \$ 7 | \$ 1,713,104 | \$ 8,827,674 | \$ 11,387,796 |

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2010

| | Self Insurance Fund | | | Vehicle Replacement Fund | Totals |
|---|-----------------------|---------------|--------------|--------------------------|---------------|
| | Workers' Compensation | Dental/Vision | Medical | | |
| Cash Flows from Operating Activities: | | | | | |
| Premiums Received from Other Funds | \$ - | \$ 302,949 | \$ 243,306 | \$ - | \$ 546,255 |
| Premiums Received from Employees | - | 93,251 | 136,410 | - | 229,661 |
| Claim Payments | (372,400) | (370,728) | (78,142) | - | (821,270) |
| Receipts from Charges for Services | - | - | - | - | - |
| Payments to Suppliers for Goods or Services | - | - | - | (25,366) | (25,366) |
| Insurance Purchases | (76,566) | - | - | - | (76,566) |
| Administrative and Other Charges | (50,753) | (25,787) | (646) | - | (77,186) |
| Net Cash Provided by (Used in) Operating Activities | (499,719) | (315) | 300,928 | (25,366) | (224,472) |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Receipts from Equity Transfer from General Fund | 72,000 | - | - | 938,386 | 1,010,386 |
| Receipts from Equity Transfer from EMS Fund | 6,000 | - | - | 84,000 | 90,000 |
| Receipts from Equity Transfer from Water System | 8,000 | - | - | - | 8,000 |
| Receipts from Equity Transfer from Fire Fund | 14,000 | - | - | 378,000 | 392,000 |
| Transfer to Equity Transfer from Dental/Vision Fund | - | - | (9,500) | - | (9,500) |
| Receipts from Equity Transfer from Medical Fund | - | 9,500 | - | - | 9,500 |
| Net Cash Provided by Noncapital Financing Activities | 100,000 | 9,500 | (9,500) | 1,400,386 | 1,500,386 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Purchase of Fixed Assets | - | - | - | (666,786) | (666,786) |
| Reduction of Certificates of Participation | - | - | - | (761,207) | (761,207) |
| Payment of Interest on Certificates of Participation | - | - | - | (262,355) | (262,355) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | - | - | - | (1,690,348) | (1,690,348) |
| Cash Flows from Investing Activities: | | | | | |
| Interest on Checking | 1,961 | - | 3,823 | 423,292 | 429,076 |
| Net Cash Provided by Investing Activities | 1,961 | - | 3,823 | 423,292 | 429,076 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (397,758) | 9,185 | 295,251 | 107,964 | 14,642 |
| Cash and Cash Equivalents at Beginning of Year | 1,180,291 | 24,219 | 1,727,359 | 7,392,673 | 10,324,542 |
| Cash and Cash Equivalents at End of Year | \$ 782,533 | \$ 33,404 | \$ 2,022,610 | \$ 7,500,637 | \$ 10,339,184 |
| Classified As: | | | | | |
| Current Assets | \$ 782,533 | \$ 33,404 | \$ 2,022,610 | \$ 7,500,637 | \$ 10,339,184 |

Fayette County, Georgia
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2010

| | Self Insurance Fund | | | Vehicle | |
|---|-----------------------|---------------|------------|------------------|----------------|
| | Workers' Compensation | Dental/Vision | Medical | Replacement Fund | Totals |
| Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities | | | | | |
| Operating Gain (Loss) | \$ (427,079) | \$ (13,810) | \$ 6,537 | \$ (940,747) | \$ (1,375,099) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities: | | | | | |
| Amortization Expense | - | - | - | 11,082 | 11,082 |
| Depreciation Expense | - | - | - | 919,799 | 919,799 |
| Increase in Current Assets | (78,220) | (1,983) | - | - | (80,203) |
| Increase (Decrease) in Current Liabilities: | | | | | |
| Other Payables | - | - | 956 | (15,500) | (14,544) |
| Estimated Claims Payable | 5,580 | 15,478 | 293,435 | - | 314,493 |
| Total Adjustments | (72,640) | 13,495 | 294,391 | 915,381 | 1,150,627 |
| Net Cash Provided by (Used in) Operating Activities | \$ (499,719) | \$ (315) | \$ 300,928 | \$ (25,366) | \$ (224,472) |



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, 2010

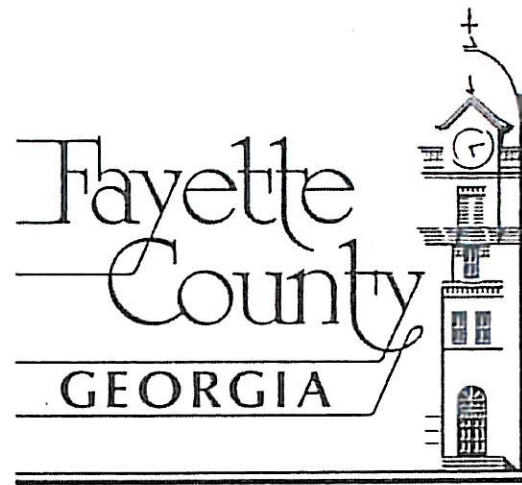
| | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance End of Year</u> |
|---------------------------------|--|------------------|-------------------|------------------------------------|
| TAX COMMISSIONER | | | | |
| Assets | | | | |
| Cash | \$ 526,921 | \$ 175,965,806 | \$ 176,348,371 | \$ 144,356 |
| Liabilities | | | | |
| Due to Others | \$ 392,965 | \$ 175,915,971 | \$ 176,287,185 | \$ 21,751 |
| Tax Protest/Bankruptcy/Tax Sale | 133,956 | 49,835 | 61,186 | 122,605 |
| Total Liabilities | \$ 526,921 | \$ 175,965,806 | \$ 176,348,371 | \$ 144,356 |
| SHERIFF | | | | |
| Assets | | | | |
| Cash | \$ 143,895 | \$ 663,838 | \$ 605,181 | \$ 202,552 |
| Liabilities | | | | |
| Due to Others | \$ 143,895 | \$ 663,838 | \$ 605,181 | \$ 202,552 |
| Total Liabilities | \$ 143,895 | \$ 663,838 | \$ 605,181 | \$ 202,552 |
| SUPERIOR COURT | | | | |
| Assets | | | | |
| Cash | \$ 1,378,047 | \$ 7,874,738 | \$ 8,179,660 | \$ 1,073,125 |
| Liabilities | | | | |
| Due to Others | \$ 1,378,047 | \$ 7,874,738 | \$ 8,179,660 | \$ 1,073,125 |
| Total Liabilities | \$ 1,378,047 | \$ 7,874,738 | \$ 8,179,660 | \$ 1,073,125 |
| STATE COURT | | | | |
| Assets | | | | |
| Cash | \$ 539,734 | \$ 2,823,022 | \$ 2,909,203 | \$ 453,553 |
| Liabilities | | | | |
| Due to Others | \$ 539,734 | \$ 2,823,022 | \$ 2,909,203 | \$ 453,553 |
| Total Liabilities | \$ 539,734 | \$ 2,823,022 | \$ 2,909,203 | \$ 453,553 |

Continued on next page.

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

For the fiscal year ended June 30, 2010

| | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance End of Year</u> |
|-----------------------------------|--|------------------|-------------------|------------------------------------|
| MAGISTRATE COURT | | | | |
| Assets | | | | |
| Cash | \$ 67,282 | \$ 468,531 | \$ 469,353 | \$ 66,460 |
| Liabilities | | | | |
| Due to Others | \$ 67,282 | \$ 468,531 | \$ 469,353 | \$ 66,460 |
| Total Liabilities | \$ 67,282 | \$ 468,531 | \$ 469,353 | \$ 66,460 |
| JUVENILE COURT | | | | |
| Assets | | | | |
| Cash | \$ 9,465 | \$ 130,713 | \$ 127,541 | \$ 12,637 |
| Liabilities | | | | |
| Due to Others | \$ 9,465 | \$ 130,713 | \$ 127,541 | \$ 12,637 |
| Total Liabilities | \$ 9,465 | \$ 130,713 | \$ 127,541 | \$ 12,637 |
| PROBATE COURT | | | | |
| Assets | | | | |
| Cash | \$ 21,054 | \$ 308,283 | \$ 329,137 | \$ 200 |
| Liabilities | | | | |
| Due to Others | \$ 21,054 | \$ 308,283 | \$ 329,137 | \$ 200 |
| Total Liabilities | \$ 21,054 | \$ 308,283 | \$ 329,137 | \$ 200 |
| TOTALS-ALL FIDUCIARY FUNDS | | | | |
| Assets | | | | |
| Cash | \$ 2,686,398 | \$ 188,234,931 | \$ 188,968,446 | \$ 1,952,883 |
| Liabilities | | | | |
| Due to Other agencies or funds | \$ 2,552,442 | \$ 188,185,096 | \$ 188,907,260 | \$ 1,830,278 |
| Tax Protest/Bankruptcy/Tax Sale | 133,956 | 49,835 | 61,186 | 122,605 |
| Total Liabilities | \$ 2,686,398 | \$ 188,234,931 | \$ 188,968,446 | \$ 1,952,883 |



Where Quality Is A Lifestyle

STATISTICAL SECTION
"UNAUDITED"

Statistical Section

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

| Contents | Page |
|--|-------------|
| Financial Trends | 89 |
| These schedules contain trend information to help the reader understand how government's financial performance and well-being have changed over time. | |
| Revenue Capacity | 95 |
| These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | |
| Debt Capacity | 99 |
| 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. | |
| Demographic and Economic Information | 103 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place. | |
| Operating information | 105 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | |

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

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

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

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

| For the Fiscal Year Ended June 30 | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | | |
| Expenses | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| General government | \$ 13,082,785 | \$ 15,045,408 | \$ 8,734,408 | \$ 13,589,479 | \$ 13,217,872 | \$ 19,913,322 | \$ 15,816,215 | \$ 17,477,463 | | |
| Judicial | 3,878,507 | 8,727,224 | 4,336,761 | 4,677,929 | 5,401,526 | 5,650,814 | 5,800,998 | 5,607,459 | | |
| Public safety | 23,806,488 | 21,690,558 | 25,422,795 | 29,331,567 | 31,310,184 | 31,978,900 | 34,914,755 | 33,801,423 | | |
| Public works | 5,037,712 | 5,228,876 | 4,611,615 | 5,433,833 | 15,643,667 | 7,673,140 | 13,866,560 | 13,183,402 | | |
| Health and welfare | 641,558 | 598,801 | 819,266 | 689,879 | 705,001 | 719,934 | 726,382 | 695,438 | | |
| Culture and recreation | 1,728,369 | 2,006,950 | 1,774,572 | 1,871,303 | 7,418,659 | 1,058,911 | 2,208,201 | 2,869,310 | | |
| Planning and community development | 1,501,851 | 1,463,997 | 1,435,272 | 1,460,636 | 1,555,478 | 1,392,864 | 1,418,307 | 1,260,287 | | |
| Interest on long-term debt and fiscal charges | 3,301,823 | 4,231,058 | 3,152,414 | 3,156,175 | 3,043,276 | 3,375,326 | 2,717,850 | 2,785,637 | | |
| Total governmental activities expenses | 52,979,093 | 58,992,872 | 50,287,103 | 60,210,801 | 78,295,663 | 71,763,211 | 77,469,268 | 77,680,419 | | |
| Business-type activities | | | | | | | | | | |
| Water System | 12,101,616 | 12,358,203 | 12,411,434 | 12,394,341 | 13,036,293 | 12,635,303 | 12,890,913 | 13,083,162 | | |
| Solid Waste | 158,423 | 147,731 | 149,197 | 121,420 | 138,082 | 160,688 | 165,620 | 162,341 | | |
| Total business-type activities expenses | 12,260,039 | 12,505,934 | 12,560,631 | 12,515,761 | 13,174,375 | 12,795,991 | 13,056,533 | 13,245,503 | | |
| Total primary government expenses | \$ 65,239,132 | \$ 71,498,806 | \$ 62,847,734 | \$ 72,726,562 | \$ 91,470,038 | \$ 84,559,202 | \$ 90,525,801 | \$ 90,925,922 | | |
| Program revenues | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| General government | \$ 597,872 | \$ 651,272 | \$ 1,296,466 | \$ 521,225 | \$ 940,273 | \$ 1,424,473 | \$ 1,090,531 | \$ 1,614,489 | | |
| Judicial | 2,878,715 | 2,502,618 | 2,584,575 | 2,597,880 | 2,362,746 | 2,401,949 | 2,607,184 | 2,474,750 | | |
| Public safety | 3,317,936 | 4,043,766 | 4,162,141 | 5,267,301 | 5,233,571 | 4,352,712 | 7,222,617 | 5,139,419 | | |
| Public works | - | - | 413,361 | 438,362 | 10,076 | 8,001 | 5,928 | 7,170 | | |
| Culture and recreation | 151,825 | 201,582 | 218,950 | 189,840 | 186,265 | 222,459 | 211,795 | 240,786 | | |
| Planning and community development | 28,870 | 51,983 | 582,363 | 665,972 | 672,849 | 60,755 | 20,910 | 10,861 | | |
| Operating grants and contributions | 34,616 | 9,939 | 85,068 | 808,590 | 5,600 | 20,582 | 23,148 | 31,935 | | |
| Total governmental activities program revenues | 7,009,834 | 7,461,160 | 9,342,924 | 10,489,170 | 9,411,380 | 8,490,931 | 11,182,113 | 9,519,410 | | |
| Business-type activities | | | | | | | | | | |
| Water System | 13,309,711 | 13,066,192 | 14,292,413 | 14,692,715 | 16,251,262 | 13,580,406 | 13,588,224 | 13,762,617 | | |
| Solid Waste | 158,097 | 201,068 | 128,705 | 141,413 | 361,200 | 85,380 | 109,122 | 120,708 | | |
| Total business-type activities program revenues | 13,467,808 | 13,267,260 | 14,421,118 | 14,834,128 | 16,612,462 | 13,665,786 | 13,697,346 | 13,883,325 | | |
| 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 | \$ 23,402,735 | | |

(continued)

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

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

FAYETTE COUNTY, GEORGIA

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|-------------------------------------|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 623,651 | \$ 547,720 | \$ 296,610 | \$ 403,077 | \$ 212,473 | \$ 168,270 | \$ 887,824 | \$ 106,725 | \$ 1,023,783 | \$ 318,494 |
| Unreserved | 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 | 34,675,209 |
| Total General Fund | \$ 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 | \$ 34,993,703 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 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 | \$ 71,297,634 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 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 | 7,997,369 |
| Capital projects funds | 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 | 7,994,268 |
| Total All Other Governmental Funds | \$ 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 | \$ 87,289,271 |
| Total Governmental Funds | \$ 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 | \$ 122,282,974 |

FAYETTE COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

| | Fiscal Year Ending June 30 | | | | | | | | | |
|---|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 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 | \$ 62,166,769 |
| Licenses and permits | 666,359 | 729,437 | 405,163 | 535,467 | 745,967 | 841,083 | 856,102 | 698,374 | 414,314 | 424,201 |
| Intergovernmental | 1,989,619 | 3,237,852 | 3,590,403 | 4,226,290 | 4,677,370 | 2,880,454 | 3,398,318 | 2,893,703 | 5,957,783 | 3,654,944 |
| Charges for services | - | - | 4,686,386 | 4,847,003 | 4,727,117 | 5,070,445 | 5,192,711 | 4,729,453 | 5,134,297 | 5,142,649 |
| Fines and forfeitures | 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 | 3,142,726 |
| Investment Income | - | - | 2,081,945 | 592,460 | 1,222,210 | 2,697,022 | 4,452,242 | 3,688,800 | 1,236,042 | 334,924 |
| Contributions | - | - | 34,616 | 9,939 | 39,875 | 808,590 | 896,329 | 20,582 | 23,148 | 520,363 |
| Miscellaneous | 8,751,074 | 8,505,515 | 446,196 | 546,676 | 990,392 | 658,057 | 5,600 | 733,744 | 912,629 | 31,935 |
| Total revenues | 49,680,930 | 54,792,016 | 54,369,891 | 56,591,370 | 59,682,611 | 78,636,266 | 83,039,428 | 84,379,739 | 81,733,550 | 75,418,511 |
| Expenditures | | | | | | | | | | |
| General government | \$ 4,285,242 | \$ 4,441,482 | \$ 6,962,277 | \$ 7,433,934 | \$ 7,754,982 | \$ 7,942,522 | \$ 8,037,744 | \$ 8,165,598 | \$ 8,424,786 | \$ 7,689,333 |
| Judicial | 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 | 5,552,734 |
| Public safety | 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 | 31,436,915 |
| Public works | 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 | 3,631,377 |
| Health and welfare | 441,826 | 575,413 | 641,558 | 637,974 | 819,266 | 689,879 | 705,001 | 719,934 | 726,382 | 695,438 |
| Culture and recreation | 1,473,895 | 1,396,527 | 1,532,083 | 1,751,545 | 1,561,419 | 1,768,694 | 1,902,937 | 2,070,906 | 2,146,860 | 1,980,568 |
| Planning & community development | 662,757 | 833,499 | 1,489,063 | 1,460,306 | 1,442,581 | 1,438,092 | 1,552,728 | 1,429,689 | 1,405,259 | 1,242,377 |
| Capital Outlay | 6,068,223 | 29,953,560 | 18,378,722 | 11,768,883 | 4,025,852 | 3,903,023 | 12,090,140 | 8,654,396 | 10,278,522 | 9,622,634 |
| Intergovernmental | 45,614 | - | - | - | - | - | - | 3,174,938 | 2,975,587 | 2,183,858 |
| Debt service: | 4,814,264 | 8,748,709 | - | - | - | - | - | - | - | - |
| Principal retirement | - | - | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | 1,010,000 | 1,676,902 | 1,768,656 | 1,849,800 | 1,937,428 | 2,031,612 | 2,132,423 | 2,239,941 |
| Paying agent fees/bonds | - | - | 2,831,957 | 3,156,311 | 3,074,266 | 2,989,997 | 2,899,990 | 2,804,831 | 2,704,186 | 2,597,403 |
| Total expenditures | 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 | 68,873,942 |
| Excess (deficiency) of revenues over expenditures | 5,286,809 | (20,460,812) | (9,765,515) | (4,146,887) | 5,531,503 | 21,727,662 | 14,131,667 | 14,047,788 | 8,304,615 | 6,544,569 |
| (Continued) | | | | | | | | | | |
| Debt Service as a percentage of noncapital expenditures | 14.4% | 23.9% | 9.2% | 11.0% | 10.7% | 10.1% | 9.3% | 9.0% | 8.7% | 9.3% |

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

| | Fiscal Year Ending June 30 | | | | | | | | | |
|---|----------------------------|-----------------|----------------|----------------|--------------|---------------|---------------|---------------|--------------|--------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Other financing sources (uses) | | | | | | | | | | |
| Proceeds from capital lease | \$ - | \$ - | \$ 7,760,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers in | 994,004 | 6,410,418 | 3,579,658 | 2,491,003 | 5,036,640 | 6,887,887 | 6,873,563 | 11,857,798 | 7,989,541 | 5,872,157 |
| Transfers out | (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) | (6,658,486) |
| Proceeds from sale of capital assets | 784,951 | 11,512 | 60,867 | 24,004 | 86,486 | 20,511 | 61,996 | 132,621 | 59,595 | 61,790 |
| Proceeds of Revenue Bonds | - | 50,068,507 | - | - | - | - | - | - | - | - |
| Payment to Refund Bond Escrow Agent | - | (49,668,978) | - | - | - | - | - | - | - | - |
| Proceeds of Refunding Certificates | - | - | - | - | - | - | - | - | - | - |
| Payment to Refunded Certificates Escrow Agent | - | - | - | - | - | - | - | - | - | - |
| Beginning Fund Balance Restated | 650,867 | - | - | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Total of other financing sources (uses) | (4,926,064) | 278,893 | 6,280,754 | (1,216,828) | (822,152) | (971,086) | 340,655 | 718,492 | 678,872 | (724,539) |
| Net change in fund balance | \$ 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 | \$ 5,820,030 |

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

| Levy Year | Total Tax Levy | Current Tax Collections | Percentage of Levy Collected | Collection of Prior Years Taxes | Total Tax Collection | Ratio of Total Tax Collections To Total Tax Levy | Outstanding Delinquent Tax | Ratio of Delinquent Tax To Total Tax Levy | Local Option Sales Tax Proceeds (1) |
|-----------|----------------|-------------------------|------------------------------|---------------------------------|----------------------|--|----------------------------|---|-------------------------------------|
| 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 | \$ 97,036,455 | 98.70% | 2,666,609 | 2.71% | 8,058,581 |
| 2003 | 98,383,520 | 106,593,238 | 108.34% | 1,391,020 | \$ 107,984,258 | 109.76% | 3,930,126 | 3.99% | 7,889,458 |
| 2004 | 108,827,457 | 106,001,805 | 97.40% | 1,448,920 | \$ 107,450,725 | 98.73% | 4,011,248 | 3.69% | 8,737,001 |
| 2005 | 118,001,735 | 114,100,400 | 96.69% | 1,557,474 | \$ 115,657,874 | 98.01% | 3,629,115 | 3.08% | 9,092,061 |
| 2006 | 124,459,002 | 121,851,632 | 97.91% | 2,131,166 | \$ 123,982,798 | 99.62% | 3,727,920 | 3.00% | 13,155,414 |
| 2007 | 133,958,330 | 131,657,606 | 98.28% | 2,016,370 | \$ 133,673,976 | 99.79% | 3,813,117 | 2.85% | 10,654,218 |
| 2008 | 144,974,057 | 138,257,418 | 95.37% | 1,568,262 | \$ 139,825,680 | 96.45% | 3,527,833 | 2.43% | 10,313,833 |
| 2009 | 154,107,697 | 149,091,541 | 96.75% | 2,804,678 | \$ 151,896,219 | 98.56% | 5,131,263 | 3.33% | 8,990,109 |
| 2010 | 157,080,795 | 151,371,828 | 96.37% | 4,148,962 | \$ 155,520,790 | 99.01% | 6,005,110 | 3.82% | 9,635,056 |

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

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

| Year | Real Property | | | Personal Property | | | Privately Owned | | | Total Property | | | Freeport-Homestead Exemption | Net Assessed Value | Total Direct Tax Rate: Value | Ratio Total |
|------|---------------|----------------------|-----------------|----------------------|-----------------|----------------------|----------------------------------|----------------------|-----------------|----------------------|-----------------|-----------|------------------------------|--------------------|------------------------------|-------------|
| | Assessed | Estimated True Value | Assessed Valued | Estimated True Value | Assessed Valued | Estimated True Value | Public Utilities Assessed Valued | Estimated True Value | Assessed Valued | Estimated True Value | Assessed Valued | | | | | |
| 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 | # | | |
| 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 | # | | |
| 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 | # | | |
| 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 | # | | |
| 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 | # | | |
| 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 | # | | |
| 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 | # | | |
| 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 | # | | |
| 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 | # | | |
| 2010 | 4,919,137 | 12,297,843 | 353,933 | 884,833 | 71,407 | 178,518 | | | 5,344,477 | 13,361,193 | 290,048 | 5,054,429 | \$ 31.61 | # | | |

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

FAYETTE COUNTY, GEORGIA

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|-----------------------------------|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <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> | <u>2010</u> |
| Fayette County Unincorporated | 6.56 | 6.64 | 6.19 | 5.87 | 5.42 | 5.19 | 4.89 | 5.43 | 5.40 | 5.40 |
| Fayette County Board of Education | 22.38 | 21.78 | 21.69 | 22.69 | 22.68 | 22.35 | 22.15 | 22.15 | 23.92 | 23.42 |
| Fire District | 3.78 | 3.78 | 3.58 | 3.39 | 3.23 | 3.09 | 2.91 | 2.00 | 1.99 | 1.99 |
| EMS District | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0.55 | 0.55 | 0.55 |
| State | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| Total | 32.97 | 32.45 | 31.71 | 32.20 | 31.58 | 30.88 | 30.20 | 30.38 | 32.11 | 31.61 |

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

| | 2010 | | | | 2001 | | | |
|--|---------------------------------------|------------------------|------|--|------------------------|------|--|--|
| | Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | |
| | NCR Corporation | \$ 31,106,661 | 1 | 0.62% | \$ 40,595,353 | 1 | 1.28% | |
| | DDRTC Fayette Pavilion III & IV & C/C | 21,159,456 | 2 | 0.40% | | | | |
| | DDRTC Fayette Pavilion I & II & C/O I | 20,560,360 | 3 | 0.38% | | | | |
| | DDRTC Fayette Pavilion I & II & C/O I | 14,108,840 | 4 | 0.26% | | | | |
| | Coweta-Fayette EMC | | | | 10,249,933 | 9 | 0.32% | |
| | Matsushita Communication Corp | 12,295,210 | 5 | 0.23% | 22,510,364 | 3 | 0.71% | |
| | Hoshizaki America Inc | 11,127,499 | 6 | 0.21% | 22,468,988 | 4 | 0.71% | |
| | Summit Properties Partnership | 9,865,200 | 7 | 0.18% | | | | |
| | CP Venture Five - APC LLC & Cousini | 8,863,560 | 8 | 0.17% | | | | |
| | Alcan Packaging-Atlanta | 8,688,146 | 9 | 0.16% | | | | |
| | KRG Kedron Village LLC & C/o Danie | 8,608,064 | 10 | 0.16% | | | | |
| | AMLI Residential Prop | - | | | 7,420,800 | 10 | 0.23% | |
| | TDK/Electronic Corporation | - | | | 22,224,822 | 5 | 0.70% | |
| | Photocircuits Corporation | - | | | 25,252,246 | 2 | 0.80% | |
| | Fasson Roll Division | - | | | 14,713,237 | 7 | 0.46% | |
| | PB Leasing Corporation | - | | | | | | |
| | Fourth Quarter Properties | - | | | 19,017,200 | 6 | 0.60% | |
| | Lawson Mardon Packaging Co. | - | | | 11,829,729 | 8 | 0.37% | |
| | Totals | \$ 146,382,996 | | 2.77% | \$ 196,282,672 | | 6.19% | |
| | Total taxable assessed value | \$ 5,344,477,776 | | | \$ 3,172,180,481 | | | |

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
OUTSTANDING DEBT
LAST TEN FISCAL YEARS
"Unaudited"

| Fiscal Year | Governmental Activities | | | | Activities | | |
|----------------|-----------------------------|--|------------------------------------|------------------------------|------------------------|--------------------------------|---|
| | General Obligation Bonds | Revenue Bonds Lease Purchase Obligations | Certificate of Participation | Capital Lease Obligations | Water Revenue Bonds | Total Primary Government | Percentage of Personal Income (1) |
| | | | | | | | |
| 2001 | \$ - | \$ 54,330,000 | \$ 5,000,000 | \$ 4,415,000 | 45,365,000 | \$ 109,110,000 | 3.09% |
| 2002 | - | 57,590,000 | 5,000,000 | | 44,210,000 | 106,800,000 | 2.97% |
| 2003 | - | 56,580,000 | 5,000,000 | 7,760,000 | 47,145,000 | 116,485,000 | 3.17% |
| 2004 | - | 55,525,000 | 5,000,000 | 7,138,098 | 45,735,000 | 113,398,098 | 2.91% |
| 2005 | - | 54,420,000 | 5,000,000 | 6,484,442 | 44,270,000 | 110,174,442 | 2.74% |
| 2006 | - | 53,255,000 | 5,000,000 | 5,799,642 | 42,740,000 | 106,794,642 | 2.58% |
| 2007 | - | 52,035,000 | 5,000,000 | 5,082,214 | 41,150,000 | 103,267,214 | 2.40% |
| 2008 | - | 50,755,000 | 5,000,000 | 4,463,309 | 39,490,000 | 99,708,309 | 2.34% |
| 2009 | - | 49,410,000 | 3,981,203 | 3,672,183 | 37,760,000 | 94,823,386 | 2.11% |
| 2010 | - | 47,995,000 | 3,220,000 | 2,786,133 | 57,970,000 | 111,971,133 | 2.31% |

(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, 2010
"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) | \$ 88,670,800 | 100% | \$ 88,670,800 |
| Peachtree City (b) | 5,425,000 | 100% | 5,425,000 |
| Subtotal, overlapping debt | | | 94,095,800 |
| Fayette County Public Facilities Authority | 47,995,000 | 100% | 47,995,000 |
| Total direct and overlapping debt | | | <u>\$ 142,090,800</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

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Debt Limit | \$ 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 | \$ 534,447,700 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | \$ 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 | \$ 534,447,700 |
| Total net debt applicable to the limit as a percentage of debt limit | - | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin Calculation for the last ten years: | | | | | | | | | | |
| Assessed value | \$3,172,180,000 | \$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 | \$5,344,477,000 |
| Debt limit (10% of assessed value) | 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 | 534,447,700 |
| 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 | \$ 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 | \$ 534,447,700 |

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

FAYETTE COUNTY, GEORGIA

Last Eight Fiscal Years

REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS

"Unaudited"

| | Fiscal Year Ended June 30, 2009 | | | | | | | | | |
|--|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <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> | <u>2010</u> |
| Gross Revenues (1) | \$ 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 | \$ 13,344,254 |
| Operating Expenses (1) | 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 | 6,163,479 |
| Net Revenue Available for Debt Service (2) | 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 | 7,180,775 |
| Debt Service Payments | 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 | 4,351,288 |
| Coverage | 1.77 | 1.90 | 1.86 | 1.64 | 1.70 | 1.96 | 2.10 | 1.78 | 1.75 | 1.65 |

(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 | | Per Capita Personal Income | Median Age (3) | School Enrollment (4) | Unemployment Rate (5) |
|----------------|----------------|---|---|-------------------------------|----------------|--------------------------|--------------------------|
| | | (amounts expressed in thousands) (2) | (amounts expressed in thousands) (2) | | | | |
| 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% |
| 2010 | 106,788 | \$ | 4,838,366 | \$ 45,474 | 42 | 21,274 | 7.9% |

(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"

| | 2010 | | Percentage of Total County Employment |
|---------------------------|-----------|------|---|
| | Employees | Rank | |
| Panasonic | 1,200 | 1 | 2.59% |
| Piedmont Fayette Hospital | 930 | 2 | 2.01% |
| Cooper Lighting | 650 | 3 | 1.41% |
| NCR | 550 | 4 | 1.19% |
| Hoshizaki America, Inc | 425 | 5 | 0.92% |
| World Airways | 275 | 6 | 0.59% |
| TDK Components | 210 | 7 | 0.45% |
| APAC - Georgia | 200 | 8 | 0.43% |
| FAA Tracon | 190 | 9 | 0.41% |
| Alenco, Inc | 181 | 10 | 0.39% |
| Total | 4,811 | | 10.40% |

Source: Development Authority of County
Georgia Department of Labor

FAYETTE COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

"Unaudited"

| Function | <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> | <u>2010</u> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | 108 | 107 | 107 | 107 | 113 | 113 | 120 | 125 | 124 | 113 |
| Judicial | 44 | 45 | 50 | 50 | 53 | 54 | 58 | 58 | 58 | 56 |
| Public Safety | | | | | | | | | | |
| Animal Control | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 7 | 7 |
| Coroner | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Emergency 911 | 30 | 30 | 30 | 30 | 30 | 30 | 36 | 36 | 36 | 36 |
| Emergency Services | 24 | 24 | 34 | 34 | 37 | 41 | 45 | 47 | 47 | 47 |
| Fire | 86 | 86 | 90 | 90 | 93 | 97 | 99 | 105 | 105 | 105 |
| Marshal | 10 | 10 | 10 | 10 | 10 | 10 | 12 | 12 | 12 | 11 |
| Sheriff | 149 | 149 | 215 | 212 | 214 | 216 | 217 | 230 | 230 | 230 |
| Total Public Safety | 307 | 307 | 387 | 384 | 392 | 403 | 418 | 439 | 440 | 439 |
| Public Works | | | | | | | | | | |
| Roads | 47 | 47 | 47 | 47 | 49 | 47 | 49 | 50 | 51 | 48 |
| Water System | 65 | 65 | 66 | 65 | 61 | 62 | 62 | 62 | 63 | 62 |
| Stormwater Management | - | - | - | - | - | - | - | - | - | 5 |
| Planning & Development | 22 | 22 | 22 | 22 | 19 | 20 | 20 | 21 | 21 | 14 |
| Culture and Recreation | 14 | 14 | 19 | 19 | 17 | 17 | 18 | 19 | 19 | 18 |
| Solid Waste Management | 2 | 2 | 2 | 2 | - | 1 | 1 | 1 | 1 | 1 |
| Total | 609 | 609 | 700 | 696 | 704 | 717 | 746 | 775 | 777 | 756 |

Source: Fayette County Human Resources Department

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

| FUNCTION | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government | | | | | | | | | | |
| Number of Registered Voters | 58,909 | 60,422 | 62,730 | 63,637 | 67,851 | 70,000 | 71,000 | 71,000 | 75,967 | 75,448 |
| Number of Parcels assessed | 36,121 | 37,643 | 38,110 | 39,194 | 39,194 | 40,348 | 41,709 | 42,000 | 42,479 | 42,479 |
| Judicial | | | | | | | | | | |
| Civil cases | 620 | 771 | 1,443 | 1,543 | 1,570 | n/a | 1,120 | 1,875 | 2,341 | 2,294 |
| Criminal cases | 593 | 526 | 844 | 816 | 825 | n/a | 903 | 875 | 872 | 887 |
| Firearms licenses | 786 | 686 | 765 | 902 | 969 | 1,256 | 838 | 893 | 937 | 2,074 |
| Juvenile cases filed | 1,795 | 1,655 | 1,750 | 1,948 | 2,025 | 2,100 | 2,007 | 2,500 | 1,961 | 1,379 |
| Marriage licenses | 594 | 610 | 719 | 666 | 699 | 1,100 | 633 | 697 | 641 | 618 |
| Passports | 988 | 925 | 613 | 310 | 251 | 360 | 261 | 288 | 665 | 492 |
| Real estate instruments filed | 32,229 | 38,715 | 48,903 | 34,152 | 35,125 | n/a | 33,193 | 30,500 | 18,449 | 18,800 |
| Public Safety | | | | | | | | | | |
| Average daily jail population | 225 | 234 | 246 | 226 | 217 | 220 | 228 | 228 | 261 | 256 |
| Burning permits (2) | 12,103 | 12,250 | 12,302 | 13,586 | 15,161 | 12,700 | 15,161 | 0 | 0 | 0 |
| Emergency response activity | 5,103 | 5,051 | 5,021 | 5,792 | 6,463 | 6,250 | 6,418 | 6,418 | 6,613 | 6,588 |
| Fire/EMS dispatch (1) | 9,082 | 9,239 | 9,239 | 10,625 | 10,874 | 11,589 | n/a | 11,970 | 12,010 | 12,797 |
| Law enforcement dispatch (1) | 39,451 | 51,372 | 51,372 | 44,827 | 46,070 | 46,737 | n/a | n/a | n/a | 45,554 |
| Traffic tickets written | 5,303 | 7,403 | 2,189 | 1,765 | 2,546 | 2,650 | 2,450 | 1,425 | 5,624 | 10,609 |
| Public Works | | | | | | | | | | |
| Number of vehicles serviced | 191 | 191 | 200 | 195 | 220 | 196 | 198 | 194 | 340 | 484 |
| Street maintenance (Miles) | 457 | 464 | 466 | 466 | 475 | 478 | 510 | 601 | 687 | 576 |
| Water production (million gallons per day) | 2,941 | 2,917 | 2,719 | 8.7 | 9.0 | 9.1 | 7.9 | 8.9 | 8.5 | 7.8 |
| Water System Customers | 22,362 | 23,395 | 24,096 | 25,071 | 26,057 | 26,945 | 26,935 | 27,800 | 27,234 | 27,493 |
| Planning & Development | | | | | | | | | | |
| Building permits issued | 737 | 829 | 773 | 918 | 833 | 800 | 743 | 750 | 292 | 632 |
| Culture & Recreation | | | | | | | | | | |
| Monthly circulation of library materials | 38,093 | 40,000 | 42,581 | 24,954 | 25,997 | 27,083 | 27,083 | 26,867 | 26,832 | 55,181 |
| Number of programs and classes offered | 201 | 190 | 189 | 377 | 341 | 350 | 327 | 315 | 398 | 497 |
| Reference questions answered monthly | 74,392 | 8,333 | 7,500 | 7,750 | 7,917 | 8,083 | 8,083 | 8,167 | 8,145 | 10,417 |

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

(2) Department no longer keeping counts

Source: Fayette County Budget Document

Source: Department statistical data

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

| Function | Fiscal Year | | | | | | | | | |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <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> | <u>2010</u> |
| General government | | | | | | | | | | |
| County Office Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senior Citizens Center | | | | | | | | 1 | 1 | 1 |
| Judicial system | | | | | | | | | | |
| Justice Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Safety | | | | | | | | | | |
| Patrol Vehicles (1) | n/a | n/a | n/a | n/a | n/a | 160 | 160 | 155 | 162 | 162 |
| Fire Stations | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Public Works | | | | | | | | | | |
| Miles of County Maintained Roads | 456.6 | 463.6 | 466.1 | 465.6 | 474.5 | 478.2 | 510.0 | 601.6 | 687.0 | 576.0 |
| Miles of Road Resurfacing | 27.1 | 30.8 | 27 | 49.5 | 38.9 | 33.24 | 33.24 | 55.4 | 26.2 | 26.2 |
| Culture and Recreation | | | | | | | | | | |
| Park Acreage | 359 | 359 | 366 | 366 | 366 | 366 | 366 | 366 | 366 | 366 |
| Parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Multi-purpose facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water System | | | | | | | | | | |
| Water Treatment Plant | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

(1) Information not available for years 2001 through 2005.

Source: Fayette County Fixed Asset Records and Department Heads