



FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018



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*Prepared by the
Fayette County Finance Department*

**Fayette County, Georgia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

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December 21, 2018

Honorable Eric K. Maxwell Chairman,
Members of the Board of Commissioners,
and the Citizens of Fayette County, Georgia

The Comprehensive Annual Financial Report (CAFR) of Fayette County, Georgia for the fiscal year ended June 30, 2018, is hereby submitted as mandated by both Local ordinances and State statutes. These ordinances and statutes require that Fayette County, Georgia issue a report on its financial position and activity on an annual basis, and this report is to be audited by an independent firm of certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, Fayette County has established a comprehensive internal control framework whereby the cost of a control does not exceed the benefits to be derived, as the objective is to provide reasonable, rather than absolute assurance. These internal controls are designed both to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with generally accepted accounting principles (GAAP). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups, and component units of Fayette County, Georgia. All disclosures necessary to enable the reader to gain an understanding of the County financial activities have been included.

Fayette County's financial statements have been audited by Nichols, Cauley & Associates, LLC, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Fayette County, Georgia for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (i.e., clean) opinion that the Fayette County, Georgia's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the Financial Section and can be found on pages 19 through 21.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A section. Management's Discussion and Analysis is located in the Financial Section of this report and can be found immediately following the report of the independent auditors on pages 22 through 39.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal; a list of Fayette County's principal officials, department directors and elected officials; an organizational chart; and maps of the local area to add some visual perspective. The Financial Section includes the management's discussion and analysis, basic financial statements, combining and individual funds financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

REPORTING ENTITY

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

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

The County provides a full range of services to its estimated 116,200 citizens. Some of the services which are available to at least a portion of those residents include law enforcement and fire protection; emergency medical services; court systems; library services; the construction and maintenance of highways, streets and infrastructure; stormwater maintenance; environmental management; fleet maintenance; buildings and grounds maintenance; tax assessment and collection; planning and zoning; building safety permitting and inspections; recreational activities and cultural events; and inherent administrative support services.

The County also operates a potable water distribution system, a solid waste management system and a stormwater utility, which are shown as Enterprise Funds in this report. The stormwater utility was eliminated effective January 1, 2018. This utility with its associated assets were closed and transferred to Environmental Management within the General Fund during FY2018. The Water System was established in 1965 and serves 30,558 customers in the unincorporated areas of the County and through the County owned distribution systems in the City of Peachtree City and the Towns of Tyrone and Woolsey. And by contractual agreement, the County operates the system owned by the Town of Brooks. The Water System also wholesales water to the City of Fayetteville pursuant to a wholesale water contract which expires in 2034.

PROFILE OF THE GOVERNMENT

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

The governing authority of Fayette County is a Board of Commissioners consisting of five elected members. The commissioners serve on a part-time basis and are elected to staggered terms of four years. Fayette County holds district voting in four districts with one district electing at-large. Four commissioners are elected by the citizens in their respective district, while the fifth commissioner is elected at-large. 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; examine, settle and allow claims against the County; examine and audit the accounts of all officers having the care, management, keeping, collection, or disbursement of money belonging to the County; establish the cost of licenses; and make such rules and regulations as necessary for the protection and preservation of health, safety, welfare, and morals. The Board of Commissioners appoints the County Administrator who serves as the County's chief administrative officer. The County Administrator is responsible for the daily operations of all County functions in accordance with the policies of the Board of Commissioners.

DISTINGUISHING ATTRIBUTES OF FAYETTE COUNTY

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

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

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

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

Fayette County's official letterhead contains the phrase, "Create Your Story", encouraging individuals to move to the county and begin their families, lives, and careers. The County is considered by many to be the "crown jewel" of Metro Atlanta's many fine communities and thus is the destination many residents have chosen as their home. Being considered a relatively safe community is a critical "quality of life" attribute provided by our public safety efforts. Per the Georgia Bureau of Investigation's 2017 Crime Statistics Report, the reported number of crimes within Fayette County was 1,602 compared to the average number of 16,029 reported by the ten counties within the Atlanta Regional Commission (ARC). Fayette was the second lowest of the ten counties with a 1.42% crime rate of the population. The average crime rate for the ten ARC counties was 3.50% of population. The ISO rating that the County's Fire Department has attained for its service level results in our residents paying less for their home insurance premiums.

The United States Census Bureau estimates the median age of the County's population to be 42 years. Further breakdown reveals that 17.6 percent of our population is over 65 years of age, which is about 6.9 percent higher than the average of the Metro Counties. To help serve the medical needs of this older population, the Piedmont Fayette Hospital is a 221 bed state-of-the-art facility that opened in September of 1997 and provides a full range of health services.

Fayette County also boasts of having an excellent education system for the children that live in the community. Graduation rate for Fayette County students for 2018 was 88.8 percent compared to a State-wide average of 81.6 percent. Of the Fayette County residents that have received their high school diploma, 45.8 percent obtained a bachelor's degree or higher. The 2018 average Scholastic Aptitude Test (SAT) scores for Fayette County students was 1142 and compares quite favorably to the National average of 1049. The American College Testing (ACT) scores reported were 23.4 for Fayette County, 21.4 for Georgia and 20.8 Nationwide. U.S. and World Report has ranked three Fayette County high schools as being among the best in the nation for preparing students for college and careers. Fayette is seventh in high school rankings in the state based on the 2017-2018 school year test scores.

ECONOMIC CONDITIONS

Environmental Scan: The local economic conditions and operating environment for Fayette County, Georgia are often times directly or indirectly impacted by not only what is occurring in the United States but also globally. Thus, performing scan of economic environments both nationally and internationally can be helpful in establishing the proper perspective for economic analysis on the local level. Some of the more important economic metrics in regards to financial activity in the third quarter of calendar year 2018 are highlighted in the following bullet points:

- Real gross domestic product (GDP) increased 4.2 percent in the second quarter of 2018;
- Year-over-year retail sales were up 5.9 percent. This indicates continued stability in the broader economy since consumer spending on goods accounts for approximately 68.6% of GDP;
- Residential housing starts increased by 3.7% over 2017;
- U.S. International Trade Balance deficit increased 10.5 billion, or 24.1%, between September 2017 and September 2018.

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

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

Again, in performing a more localized environmental scan, Fayette County has an outstanding labor force, abundant higher education opportunities, a favorable business climate, a wide range

of leisure opportunities and high-quality housing. Each of these factors continues to make Fayette County an attractive place to live, work and play.

Fayette County is home to a highly skilled labor force. The majority of workers in the county are either high school graduates or have obtained their GED or have at least some college training. Figures for first quarter 2018, as published by the Georgia Department of Labor, indicate that there were 43,556 employed residents in Fayette County. Many of these residents commuted outside the County for employment. The two most frequent destinations for Fayette County's work force are Fulton and Clayton Counties. This is no real surprise given that the airport is located mainly in Clayton County and the Central Business District (i.e., Downtown Atlanta) is located in Fulton County.

Statistics from the Georgia Department of Labor indicate that in 2017 there were 3,603 industries located in Fayette County that produced 43,556 jobs. Of that total, 461 industries were labeled as "Goods Producing" and accounted for 7,371 jobs or 16.9 percent of the total. By far, the largest component was the "Service Providing" industries. That segment totaled 2,861 firms and represented 30,834 jobs or 70.8 percent of the total. Based on those numbers, it can also be said that Fayette County has a fairly broad industry mix and its economic well-being is not dependent on the success of any one employer or industry.

Atlanta and the Metro region have significantly regained economic stability. In the past, the Atlanta business community has benefited from several strengths of the region which include having a diverse economic base; experiencing strong in-migration and population growth; serving as a transportation, distribution and cultural center; and offering a business-friendly environment. These factors contributed greatly to economic recovery in the region. Unemployment is down. New construction continues to grow but at a more subdued pace.

The near-term economic outlook remains strong. Increases in personal income and decreases in unemployment claims indicate the continued strength of the economy. However, the rate of growth is expected to slow.

The economic outlook for Fayette County remains stable as a result of prudent planning to eliminate deficit budgeting. This proactive approach has enabled the County to maintain a strong financial position. Property values are rising and there is significant new construction in the County resulting in an increase in the 2018 tax digest of 2.3 percent (net of the decrease in exemptions). One of the benefits of having a skilled work force is that the unemployment rate continues to keep pace with the state average. For August 2018, the rate for Fayette County was 3.8 percent which is comparable to both the state and the national average.

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 second 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 combines to make the County an extremely attractive place in which to reside.

Economic Forecast: Based on the economic information that is currently available, one can make certain projections about the economic conditions that Fayette County will face during its next operating cycle. The more relevant highlights from the economic forecast prepared by The Balance include the following projections:

- Nationwide, unemployment gradually declines from 3.9 percent in 2018 to about 3.5 percent by the end of 2019;
- U.S. manufacturing is forecast to increase faster than the general economy. Production will grow 2.8 percent in 2018. Growth will slow to 2.6 percent in 2019;
- Inflation will decrease slightly from 2.1 percent to 2.0 percent in 2019.

MAJOR INITIATIVES

Several significant projects were undertaken in fiscal year 2018. With the passage of the new SPLOST in March of 2017 and collections beginning in fiscal year 2018, a number of SPLOST-funded projects were started. Stormwater projects to replace pipe and repair damage on Rising Star Road and Lee's Mill Road that resulted from flooding in December of 2015 were both substantially complete by fiscal year end. The largest of the Stormwater projects, the Emerald Lake Dam project, was also substantially complete by year end. Two notable public safety projects were also started -- construction of a new Fire Station #4 and replacement of the county-wide public safety radio system. The new radio system will provide enhanced, state-of-the-art communication capability.

Work was substantially completed on the span of Veterans Parkway from Lee's Mill Road to Highway 92 N, with a ribbon cutting in July 2018. Additionally, multiple vehicle and large equipment purchases were made to facilitate the county's operations.

Several other projects were completed during fiscal year 2018, including the Parks and Recreation Department: Kenwood Park track refurbishment, security cameras installations at all parks, and McCurry Park turf planning were completed. Other improvement projects completed included the Stonewall Administration building, Sheriff's Office, Justice Center Audio/ Visual and Fayette County's Historic Courthouse.

As noted earlier, a large percentage of our residents are employed in other counties so a good road system is needed to make the daily commute easier for them. An effective road system is also needed to move those goods being manufactured by our local industries and to attract new businesses. It is important to our business community to make travel as pleasant as possible for those that want to work and shop in the County. Additionally, Fayette County is participating in the Local Maintenance & Improvement Grant (LMIG) program that helps local governments make needed improvements to local and state roads. The grant requires a match of approximately 30 percent from the County. Unincorporated Fayette County was awarded \$821,817 for the 2018 LMIG program.

There are numerous roads that are in process or continuing to need major repairs. Fayette County was awarded disaster grant reimbursement for several of the December 2015 storm damages. FEMA and GEMA are expected to contribute 87.5%, or approximately \$1.7M, of the \$2M cost to repair the washed out and damaged roads. To date, the County has been reimbursed approximately \$650,000. Because the remaining reimbursement is related to “large projects”, funding will not be received until the projects are verified after a final examination by FEMA.

Fayette County continues to strategically position itself for future growth and the maintenance of the current quality of life of our citizens. With the population of the Metropolitan Atlanta Statistical Area at nearly 5.9 million, the availability of potable water is becoming one of the most important attributes affecting growth patterns in the future. Where businesses decide to locate in the future could be determined by the availability of this precious resource. With the addition of Lake McIntosh in 2013, which is a 650-acre raw water reservoir located on Line Creek which borders Fayette and Coweta Counties, total raw water reserves should be sufficient to meet our customers’ potable water needs for years to come.

LONG-TERM FINANCIAL PLANNING

The financial position of the County has strengthened over the past year; the General Fund operating fund balance is expected to increase by \$908,197. This was due in part to careful budget management and cost control.

In February 2015, Moody’s upgraded Fayette County’s bond rating to the highest possible of ‘Aaa’. Moody’s is the second rating agency to upgrade the County following the Standard & Poor’s AAA upgrade in August 2014. This rating is confirmation that the County continues to demonstrate sound financial performance as shown through the recent confirmation from Moody’s Annual Comment on Fayette County in November of this year. In the comment Moody’s states “Fayette County’s credit position is superior, and Aaa rating exceeds the median rating of Aa2 for counties nationwide.”

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

As is the case with most local governmental entities, the majority of services provided by Fayette County are funded through an ad valorem tax levied against real and personal property. As the economy has stabilized and the real estate market has significantly recovered, this source of funding is returning to its pre-recession level. Market value of existing homes continues to rise and new construction is ongoing. According to the Georgia Department of Revenue, the Net Maintenance and Operation (M&O) Tax Digest for Fayette County increased by \$587,613,571 or 11.7 percent from January 1, 2016 to January 1, 2017. The increase from January 1, 2017 to

January 1, 2018 was \$280,556,051 or 5.0 percent. The taxable digest has met and surpassed the highest value in 2009 of \$5,457,605,221. This, along with increases in retail sales, indicate the return of a stronger economy.

Additionally, ad valorem tax revenues are supplemented by the Title Ad Valorem Tax. This tax replaced both the sales tax and yearly ad valorem, or “birthday tax” on vehicles purchased after January 1, 2012. The law guarantees minimum proceeds equal to the 2012 base year. Initial collections and distributions were strong. An annual statutory recalculation of the distribution percentage resulted in an increase from 45.61% to 51.58%, or 5.97 percent, in the amount allocated to local governments in calendar year 2018, returning the county’s distribution to 6.58 percent higher than the original 45 percent.

Prior to fiscal year 2014, to fund operations of the County, fund balance was extensively used to cover the excess of expenditures over revenues. Starting in FY 2014 and continued in FYs 2015, through FY2018, the Board of Commissioners adopted cost saving initiatives that discontinued deficit budgeting without any impact to service delivery. The FY 2019 budget, adopted June 28, 2018, included a rollback of the maintenance and operations General Fund millage rate without the need to use unreserved fund balance. The 2018 annual savings impact of the rollback to Fayette County tax-paying citizens was \$0.7M with a cumulative impact, since 2014, of \$21.7M. The Board again demonstrates a long-term commitment to fiscal conservatism and efficiency while maintaining an outstanding level of customer service to its citizens without a tax increase.

The Capital Improvement Program (CIP) plan was updated reflecting a continued focus on establishing critical needs for the upcoming five-year period. In the FY 2019 adopted budget, \$2,646,062 is projected to come from the Assigned CIP General Fund Balance to fund projects, \$562,700 is projected to come from Fire Services fund balance, and \$15,000 is projected to come from State Court-DUI Court fund balance. Water System Projects total \$2,470,000. Available funds from prior year projects that were completed or determined to not be a priority were re-appropriated and designated as Contingency project funds to be used for additional projects approved during the fiscal year. FY 2019, the Contingency projects accounts included the following: \$253,054 in General Fund Projects Contingency, \$162,756 in Special Revenue Funds Projects Contingency and \$35,379 in Recreation Projects Contingency. In FY2019, a proactive approach will be taken to determine when projects are completed and to move any available funds to keep replenishing the Contingency projects account.

In March 2017, County residents voted to pass the new SPLOST 2017. Funding is allocated to the entities including City of Fayetteville, Peachtree City, Town of Tyrone, Town of Brooks, and Fayette County based upon a pre-approved list of projects provided by each entity. The total SPLOST collections from July 1, 2017 through June 30, 2023, is estimated at \$141M for the six-year period. Each entity is allocated funding based upon a pre-approved percentage. The County’s allocation will be used to fund the construction of a new Fire Station #4 and replacement of the County Wide Public Safety radio system, as well as numerous Stormwater and Transportation projects. The largest of these Stormwater projects is the Emerald Lake Dam project for the replacement of an existing dam. Emerald Lake Dam is a GA Safe Dams Program

Cat 2 Structure located predominantly in Fayette County right-of-way. Work is needed to address flow capacity and structural integrity issues. The lake has been drained, the temporary cofferdam and detour are in place and the “old” spillway structure has been demolished. Construction of several of these projects started in FY2018.

CASH MANAGEMENT POLICIES AND PRACTICES

Cash temporarily idle during the year was invested in accordance with allowable investments per Georgia law. The County earned net interest income of \$776,288 on all investments of the Governmental and Proprietary Fund-Types for the year ended June 30, 2018. Because of the associated restrictions, a portion of these earnings is shown as “program revenues” on the Government-Wide Statements.

The County’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are required to be either insured by federal depository insurance or collateralized. At June 30, 2018, 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.

REPORTING ACHIEVEMENTS AND RECENT AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fayette County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2017. The County has received this award for each of the last twenty-five 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 2018. This represents the twenty-first consecutive year that the County has received this particular award. In order to qualify for the award, the County’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGMENTS

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

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

Respectfully submitted,

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

Steve A. Rapson
County Administrator

A handwritten signature in blue ink, appearing to read 'Mary S. Parrott', written in a cursive style.

Mary S. Parrott
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Fayette County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

**Fayette County, Georgia
List of Principal Officials
June 30, 2018**

Elected County Officers

Board of Commissioners:

District 1 Eric K. Maxwell, Chairman
District 2, Vice Chair Randy Ognio
District 3 Steve Brown
District 4 Charles D. Rousseau
District 5-At-Large..... Charles W. Oddo

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

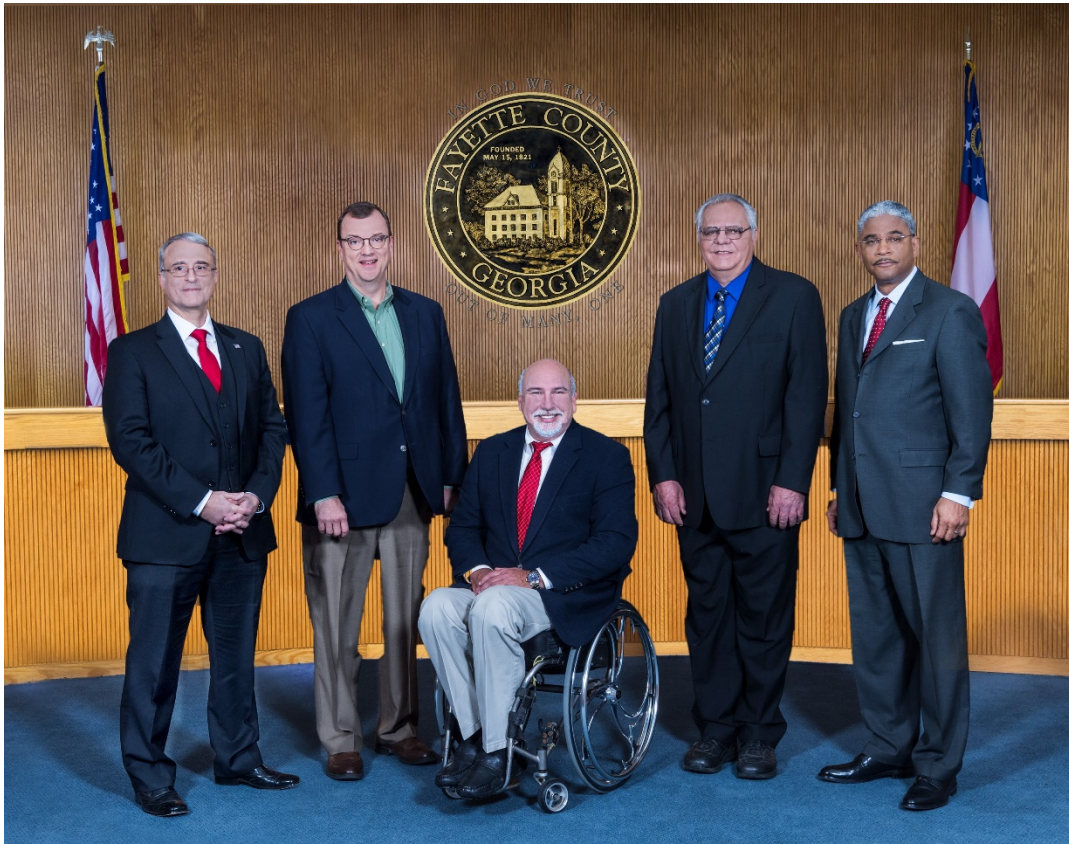
Principal Officials

County Administrator..... Steven A. Rapson, CPA
County Attorney..... Dennis Davenport
Chief Financial Officer Mary S. Parrott, CPA
County Purchasing Agent Ted Burgess
County Clerk..... Tameca P. White, MBA, CMC
Community Development..... Pete Frisina
911 Communications Center Bernard Brown
Emergency Management..... Captain Michael Singleton
Fire & Emergency Medical Services Chief David Scarbrough
Human Resources Lewis Patterson
Chief Information Officer Phillip Frieder
Library Chris Snell
Parks and Recreation Anita Godbee
Public Works Phil Mallon
Tax Assessor..... Joel T. Benton
Water System..... Lee Pope

Special Services Providers

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

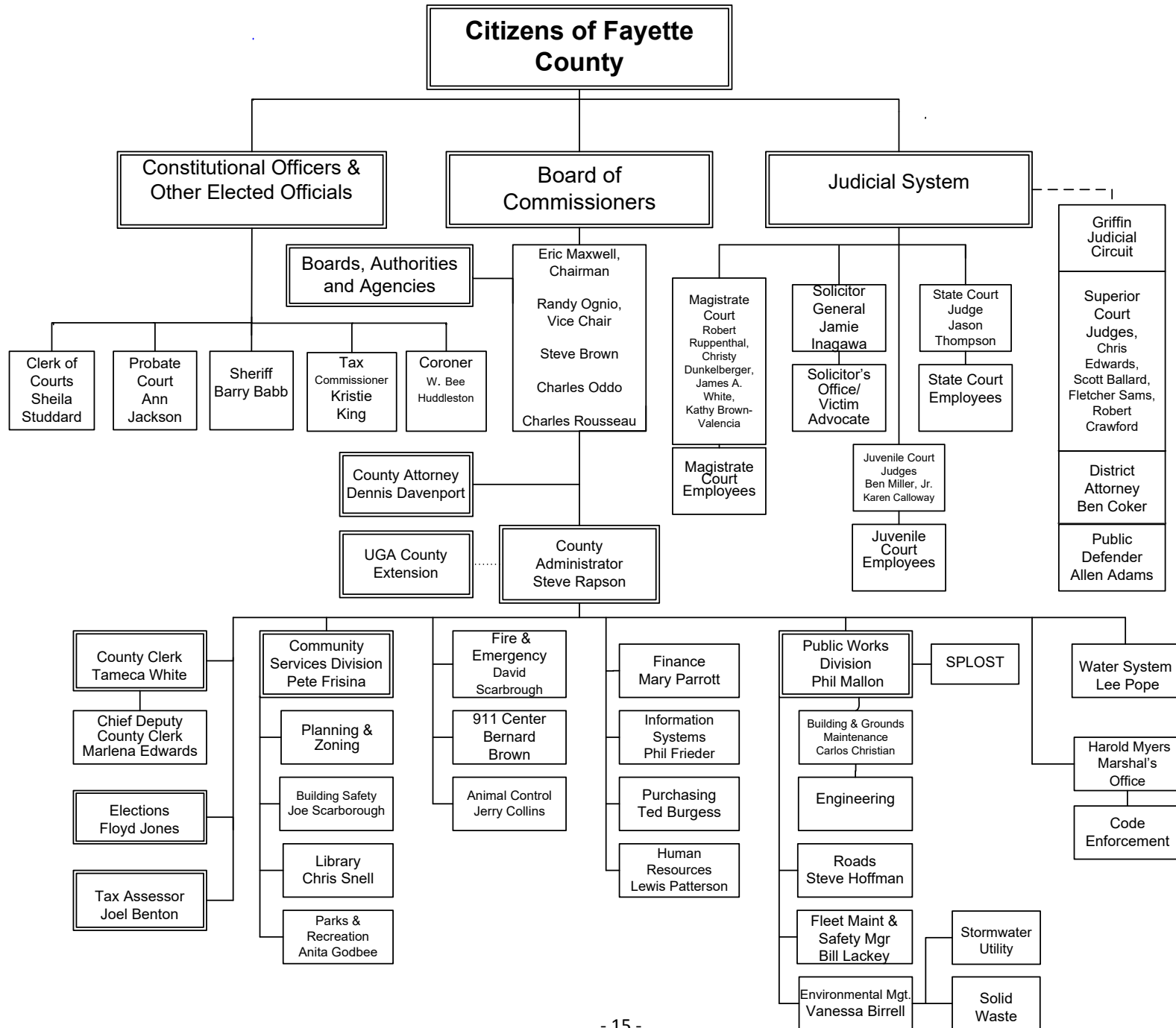
**Fayette County, Georgia
Board of Commissioners
Fiscal Year Ended June 30, 2018**



left to right: Charles W. Oddo, Steve Brown, Eric K. Maxwell, Randy Ognio, Charles D. Rousseau,

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

Fayette County, Georgia Organizational Chart



**Fayette County, Georgia
Service Delivery Principles
Fiscal Year Ended June 30, 2018**

RESOLUTION 2016-01

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

- WHEREAS, upon in 2016, the five commissioners desire to affirm their core values and beliefs to our constituents and county staff; and
- WHEREAS, the Board of Commissioners acknowledges they were placed in office by the voters of Fayette County and are responsible for conducting the official business of those citizens, looking out for their best interests; and
- WHEREAS, the Board is determined to give the citizenry ample opportunity to voice their comments and concerns in all meetings; and
- WHEREAS, the Board respects each individual staff member and believes that members who are treated with respect and given responsibility respond by giving their best; and
- WHEREAS, although there may not be unanimous consent on every issue, the Board requires complete honesty and integrity in everything we do while valuing everyone's opinion; and
- WHEREAS, the Board will take its commitments very seriously, and then do its utmost to live up to them, acknowledging the importance of doing what we say we are going to do; and
- WHEREAS, the Board recognizes that the work performed by each staff member is an important part of their life, and it should be fulfilling and rewarding, so we encourage an open and welcoming workplace; and
- WHEREAS, the Board vows to be good stewards of the citizen's resources, exercising the same vigilance that we would use to guard and conserve our own personal resources; and
- WHEREAS, the Board insists that each commissioner and each staff member always give their best effort in everything we undertake, refusing to accept sloppiness or lack of effort; and
- WHEREAS, the entire Board, each department director and each individual in our organization is expected to understand our mission and our goals realizing that doing so is extremely critical to our success; and
- WHEREAS, the Board believes in the Golden Rule, and we will strive to be friendly, courteous, fair and compassionate in all our dealings; and
- WHEREAS, the Board and our staff members should always feel a sense of urgency on any matters related to our citizens, owning problems and always being responsive


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

So resolved this 14th day of January 2016 by the

FAYETTE COUNTY BOARD OF COMMISSIONERS


Chairman Charles W. Oddo


Vice Chairman Randy Ognio


Commissioner David Barlow


Commissioner Steve Brown

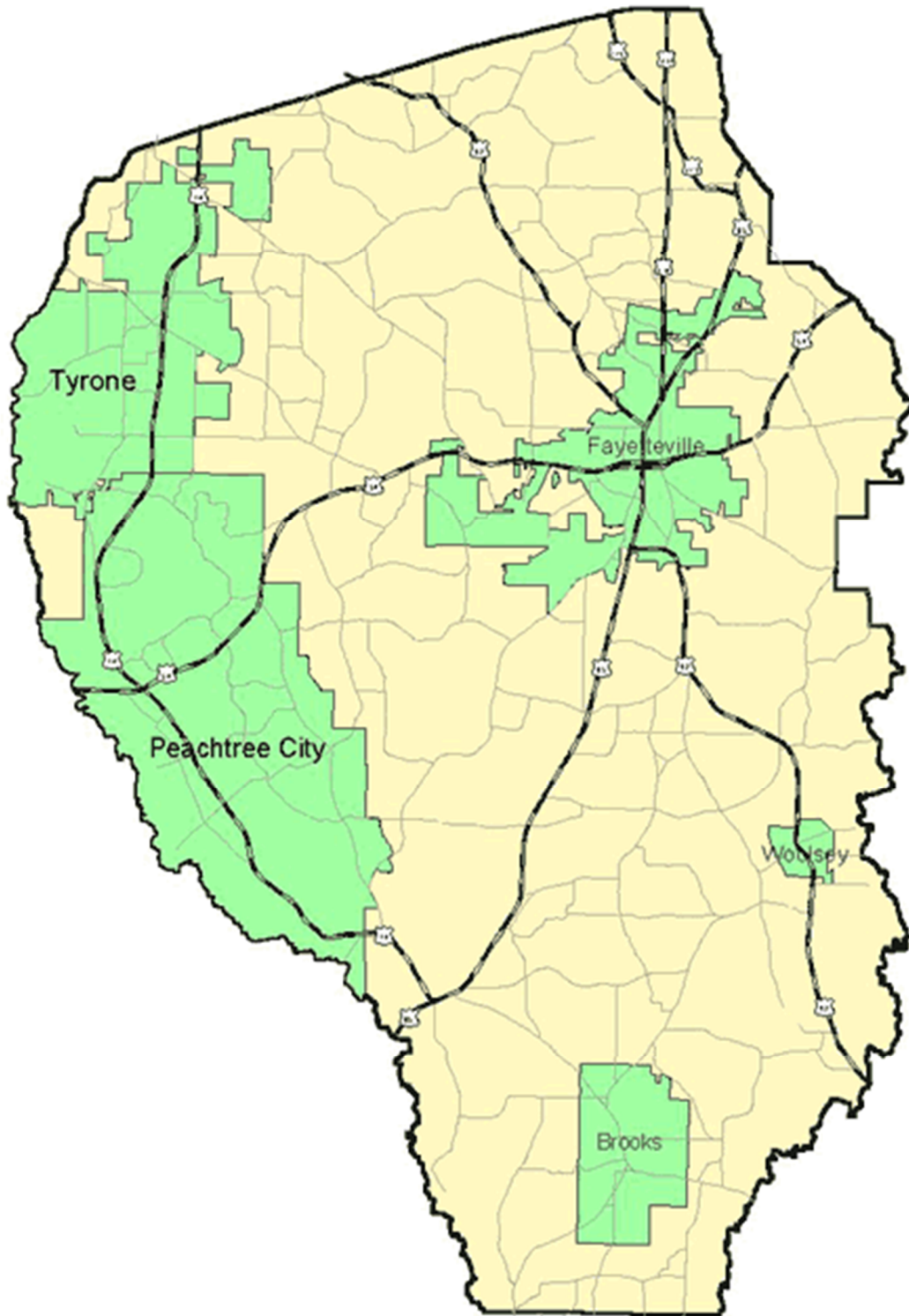

Commissioner Charles Rousseau

Fayette County, Georgia
Map of Metropolitan Atlanta Area
Fiscal Year Ended June 30, 2018



Fayette County

Fayette County, Georgia
Jurisdiction and Road Map of Fayette County
Fiscal Year Ended June 30, 2018





FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES



NICHOLS, CAULEY & ASSOCIATES, LLC

2800 Century Parkway, Suite 900
Atlanta, Georgia 30345
404-214-1301 FAX 404-214-1302
atlanta@nicholscauley.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fayette County, Georgia, (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fayette County Development Authority and the Fayette County Department of Public Health, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements, were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fayette County Development Authority and the Fayette County Department of Public Health is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note IV. J, the County implemented Governmental Accounting Standards Board (GASB) Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, for the year ended June 30, 2018. This standard significantly changes the accounting for the County's total Other postemployment benefits (OPEB) liability and the related disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (on page 22 through 39), General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (on pages 100 through 102), Fire Services Tax District Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances (on page 103), the Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios (on page 104), Schedule of County Contributions (on page 105), and the Schedule of the Total OPEB Liability and Related Ratios (on page 106) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Richards, Cauley & Associates, LLC

Atlanta, Georgia
December 21, 2018

Fayette County, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

As management of Fayette County, Georgia, we offer the readers of Fayette County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. The primary purpose of the ensuing discussion and analysis is to provide our Board of Commissioners, our customers, our taxpayers, our bondholders, the bond rating agencies and the other various users of our Comprehensive Annual Financial Report (CAFR) with additional insight into the financial performance of the County and to help place the operational information contained in the basic financial statements in its proper context. We encourage readers to consider the information presented here in conjunction with additional information we have included in our letter of transmittal, which can be found on pages 1 through 11 in the Introductory Section of this report.

Financial Highlights

- The *Assets* of Fayette County, Georgia exceeded its *Liabilities* at June 30, 2018 by \$271,161,677 (*Net Position*). Of this amount, \$41,166,491 (*Unrestricted Net Position*) can be used to meet the County's ongoing obligations to its citizens and creditors.
- The County's *Total Net Position* at June 30, 2018 increased by \$9,995,713, or 3.83%, over FY2017. This increase in Total Net Position is due to an increase in revenues of 25.38%, and a lesser increase of expenditures of 16.02%.
- At the close of the current fiscal year, the County's Governmental Funds reported combined ending fund balances of \$88,073,991. This amount represented an increase of \$7,324,048 from the prior year and was principally attributable to revenues in the 2017 SPLOST Road Capital Projects Funds and expenditures related to Capital Projects and 2004 SPLOST.
- At the end of the current fiscal year, the Unassigned Fund Balance for the General Fund was \$4,014,314. This amount represented about 8.08% of the total of the General Fund's Expenditures and Operating Transfers Out for the 2018 fiscal year. The Unassigned Fund Balance would be sufficient to cover over one month of operations, if needed.
- Fayette County has a stabilization fund designated in fund balance equal to three months of expenses, or \$12,849,272.
- Fayette County's total long-term debt decreased \$6,139,804 due to regularly scheduled payments.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of the County's assets and liabilities, with the difference between the two being reported as *Net Position*. Basically, the statement is intended to provide financial information about the County's overall financial status that is considered to be both from a long-term and short-term perspective. And over time, increases or decreases in the *Net Position* amount may serve as an indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future years (e.g., uncollected taxes, earned but unused vacation leave). Additionally, this statement shows how much of the County's activities or functions are funded by program revenues (i.e., charges for services, grants and contributions) and how much of the County's functions rely on general revenues (primarily taxes) for funding.

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

The *Government-Wide Financial Statements* include not only Fayette County itself (which is referred to as the *Primary Government*), but also legally separate entities for which the County is financially accountable (referred to as *Component Units*). The County's two *Component Units* are the Fayette County Development Authority and the Fayette County Department of Public Health. These are legally separate entities that are considered component units due to the significance of their operational or financial

relationships with the County. Financial information for these *Component Units* is reported separately from the financial information presented for the *Primary Government* itself. The Fayette County Public Facilities Authority, although also legally separate, functions for all practical purposes as a revenue bond debt financing conduit for the County and therefore has been included as an integral part of the *Primary Government*.

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

Fund Financial Statements. Traditional users of governmental financial statements will find the *Fund Financial Statements* presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fayette County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the various funds maintained by Fayette County can be divided into three separate categories: **Governmental Funds**, **Proprietary Funds** and **Fiduciary Funds**.

Governmental Funds. *Governmental Funds* are used to account for essentially the same functions reported as *Governmental Activities* in the *Government-Wide Financial Statements*. However, unlike the *Government-Wide Financial Statements*, *Governmental Fund Financial Statements* focus on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful to the reader in evaluating a government's near-term financing requirements.

Because the focus of *Governmental Funds* is narrower than that of the *Government-Wide Financial Statements*, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *Governmental Activities* in the *Government-Wide Financial Statements*. By comparing functions between the two sets of statements for *Governmental Funds* and *Governmental Activities*, readers may better understand the long-term impact of the government's near-term financing decisions. The *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances* both provide a reconciliation to help facilitate this comparison between *Governmental Funds* and *Governmental Activities*.

Fayette County maintains numerous individual governmental funds that are combined into eleven (11) different funds for reporting purposes. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances* for those considered to be major funds. Based on the criteria set forth in the accounting standards, the major funds were determined to be the following: the General Fund, the Fire Services Tax District Special Revenue Fund, the County-Wide Roads 2004 SPLOST Capital Projects Fund, and the County-Wide 2017 SPLOST Capital Projects Fund. Financial information for the remaining non-major Governmental Funds is aggregated and reported in a single column labeled "Other Governmental Funds". Individual fund data for each of these non-major Governmental Funds is provided in the form of combining statements in the "Combining and Individual Fund Statements and Schedules" section appearing elsewhere in this report.

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

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

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

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

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

The *Proprietary Fund Statements* provide the same type of financial information as the *Government-Wide Financial Statements*, only in more detail. Since there are only three *Enterprise Funds*, each of them is presented on the face of the *Proprietary Funds Financial Statements*. Again based on the criteria established in the accounting standards, the Water System is the only one considered to be a major fund of the County with the other two being identified as non-major funds in the headers of those financial statements. The stormwater utility was eliminated effective January 1, 2018. This utility with its associated assets were closed and transferred to Environmental Management within the General Fund during FY2018.

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

The basic *Proprietary Funds Financial Statements* can be found on pages 47 through 51 of this report.

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

The basic *Fiduciary Funds Financial Statement* can be found on page 52 of this report.

Notes to the Financial Statements. The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the *Government-Wide* and *Fund Financial Statements*. The *Notes to the Financial Statements* can be found on pages 53 through 99 of this report.

Other Information. In addition to the *Basic Financial Statements* and accompanying *Notes*, this report also presents certain **Required Supplementary Information** concerning the County's progress in funding its obligations to provide pension and other postemployment benefits to its employees. *Required Supplementary Information* can be found on pages 100-106 of this report.

The combining statements referred to earlier in connection with *Non-major Governmental Funds*, *Non-major Enterprise Funds* and *Internal Service Funds* are presented immediately following the Required Supplementary Information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found on pages 107 through 131 of this report.

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

Government-Wide Financial Analysis

Analysis of Net Position

As noted earlier, *Net Position* may serve over time as a useful indicator of a government's financial position. In the case of Fayette County, *Assets* exceeded *Liabilities* by \$271,161,677 at the close of the most recent fiscal year. The condensed financial information for Fayette County, Georgia's Net Position as of June 30, 2018 and 2017 is presented in the following table.

FAYETTE COUNTY, GEORGIA'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
Current and Other Assets	\$ 102,491,953	\$ 89,436,505	\$ 19,472,812	\$ 21,523,227	\$ 121,964,765	\$ 110,959,732
Capital Assets (Net)	<u>120,925,314</u>	<u>116,483,498</u>	<u>107,755,971</u>	<u>112,174,476</u>	<u>228,681,285</u>	<u>228,657,974</u>
Total Assets	<u>223,417,267</u>	<u>205,920,003</u>	<u>127,228,783</u>	<u>133,697,703</u>	<u>350,646,050</u>	<u>339,617,706</u>
Deferred Outflows of Resources	<u>7,483,318</u>	<u>7,830,036</u>	<u>2,083,323</u>	<u>2,284,475</u>	<u>9,566,641</u>	<u>10,114,511</u>
Long-Term Liabilities Outstanding	<u>32,296,723</u>	<u>34,414,756</u>	<u>37,958,842</u>	<u>42,151,308</u>	<u>70,255,565</u>	<u>76,566,064</u>
Other Liabilities	<u>9,469,679</u>	<u>5,914,744</u>	<u>5,938,927</u>	<u>6,085,445</u>	<u>15,408,606</u>	<u>12,000,189</u>
Total Liabilities	<u>41,766,402</u>	<u>40,329,500</u>	<u>43,897,769</u>	<u>48,236,753</u>	<u>85,664,171</u>	<u>88,566,253</u>
Deferred Inflows of Resources	<u>3,069,790</u>	<u>-</u>	<u>317,053</u>	<u>-</u>	<u>3,386,843</u>	<u>-</u>
Net Investment in Capital Assets	<u>91,754,046</u>	<u>85,520,526</u>	<u>67,569,842</u>	<u>68,055,375</u>	<u>159,323,888</u>	<u>153,575,901</u>
Restricted	<u>51,497,841</u>	<u>44,299,115</u>	<u>19,173,457</u>	<u>18,532,120</u>	<u>70,671,298</u>	<u>62,831,235</u>
Unrestricted	<u>42,812,506</u>	<u>43,600,898</u>	<u>(1,646,015)</u>	<u>1,157,930</u>	<u>41,166,491</u>	<u>44,758,828</u>
Total Net Position	<u>\$ 186,064,393</u>	<u>\$ 173,420,539</u>	<u>\$ 85,097,284</u>	<u>\$ 87,745,425</u>	<u>\$ 271,161,677</u>	<u>\$ 261,165,964</u>

As indicated by the tabular information above, the largest portion of the County's *Net Position* (i.e., 58.76% of the total) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt still outstanding that was used to acquire those assets. Fayette County uses these capital assets to provide services to citizens; consequently, these assets are **not** available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities that are associated with them.

Further analysis of the information used to calculate this component of *Net Position* also demonstrates the capital intensive nature of operating a county government. The \$228,681,285 in *Capital Assets* (net of accumulated depreciation) that are owned by the County represents 65.22 percent of its *Total Assets*. As part of its on-going operations, these capital assets have to be maintained, insured for any associated risks and replaced at the end of their useful lives.

In reviewing the other components of the County's *Net Position*, *Restricted Net Position* was \$70,671,298 which translates into 26.06 percent of the total. *Restricted Net Position* represent resources subject to external restriction on how they may be used. For the *Governmental Activities*, the balance of \$51,497,841 primarily represents the unencumbered assets of the Special Revenue Funds that are restricted to specific purposes or programs due to their sources of funding, the proceeds from the certificates of participation that are restricted to debt service, advances to the Stormwater projects, the 2004 SPLOST Capital Projects Funds restricted to highway and bridge construction projects, and the recently approved 2017 SPLOST restricted for Stormwater, Transportation, and Public Safety projects. And for the *Business-Type Activities*, the \$19,173,457 represents assets in the Water System Enterprise Fund that are restricted by revenue bond ordinances to future debt service, and system renewal and extension purposes.

And lastly, the *Unrestricted Net Position* component for Governmental Activities is \$42,812,506 and represents 23.01 percent of the total Governmental *Net Position*, compared to 15.79 percent for FY2018 Total Primary Government. This \$776,735 decrease was due to capital-related expenditures. *Unrestricted Net Position* may be used to meet the County's ongoing obligations to citizens and creditors.

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

Analysis of Changes in Net Position

The following tabular information represents the condensed presentation of revenues, expenses and changes in net position for the fiscal years ended June 30, 2018 and 2017. As indicated by the information in the table, the Net Position for the fiscal year ended June 30, 2018 increased by \$9,995,713.

FAYETTE COUNTY, GEORGIA'S CHANGES IN NET POSITION						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2017</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 11,829,159	\$ 11,779,012	\$ 16,003,723	\$ 17,717,918	\$ 27,832,882	\$ 29,496,930
Operating Grants & Contributions	1,068,044	952,997	-	-	1,068,044	952,997
Capital Grants & Contributions	2,112,443	2,269,409	1,242,681	3,521,882	3,355,124	5,791,291
General Revenues:						
Property Taxes	39,824,105	38,526,458	-	-	39,824,105	38,526,458
Sales Taxes	37,756,182	11,882,013	-	-	37,756,182	11,882,013
Other Taxes	3,728,125	3,461,582	-	-	3,728,125	3,461,582
Unrestricted Investment Earnings	351,280	241,921	172,097	59,946	523,377	301,867
Gain on Disposal of Capital Assets	29,057	504,464	(10,058)	32,010	18,999	536,474
Miscellaneous Revenues	290,604	293,109	-	-	290,604	293,109
Total Revenues	96,988,999	69,910,965	17,408,443	21,331,756	114,397,442	91,242,721
Expenses:						
General Government	9,492,940	8,729,365	-	-	9,492,940	8,729,365
Judicial System	7,249,775	6,864,937	-	-	7,249,775	6,864,937
Public Safety	38,921,791	37,771,204	-	-	38,921,791	37,771,204
Public Works	23,756,478	14,141,638	-	-	23,756,478	14,141,638
Health & Welfare	850,264	800,988	-	-	850,264	800,988
Culture & Recreation	2,765,542	2,789,813	-	-	2,765,542	2,789,813
Housing & Development	1,360,513	1,256,249	-	-	1,360,513	1,256,249
Interest & Fiscal Charges	1,487,876	1,537,558	-	-	1,487,876	1,537,558
Water System	-	-	17,987,474	15,880,990	17,987,474	15,880,990
Solid Waste	-	-	243,983	157,533	243,983	157,533
Stormwater Utility	-	-	285,093	57,654	285,093	57,654
Total Expenses	85,885,179	73,891,752	18,516,550	16,096,177	104,401,729	89,987,929
Increase (Decrease) in Net Position Before Transfers	11,103,820	(3,980,787)	(1,108,107)	5,235,579	9,995,713	1,254,792
Transfers	1,540,034	1,394,969	(1,540,034)	(1,394,969)	-	-
Increase (Decrease) in Net Position	12,643,854	(2,585,818)	(2,648,141)	3,840,610	9,995,713	1,254,792
Prior Period Adjustment	-	(1,229,285)	-	(107,785)	-	(1,337,070)
Net Position - Beginning	173,420,539	177,235,642	87,745,425	84,012,600	261,165,964	261,248,242
Net Position - Ending	\$ 186,064,393	\$ 173,420,539	\$ 85,097,284	\$ 87,745,425	\$ 271,161,677	\$ 261,165,964

Total Primary Government. Based on the FY2018 Net Position, this net increase of \$9,995,713 for the fiscal year ended June 30, 2018, a \$12.6M increase was attributable to the *Governmental Activities* while the *Business-Type Activities* experienced a decrease of \$2.6M.

In comparing the operating results between the two fiscal years, \$9,995,713 vs. \$1,254,792, this swing of the \$8,740,921 change between FY2018 and FY2017, increased revenues accounted for \$23.2M while an increase in expenditures reflects the variance of \$14.4M. The more significant points are noted below:

Revenues:

- Sales Tax Revenues increased \$25.9M. This is largely due to the collection of the extra 1% SPLOST collections that began July 1, 2017 for FY2018.
- The *Charges for Services* category decreased by \$1.7M from the prior year's amount. This change occurred in Business-Type Activities due to decreased water usage of approximately \$1.7M.
- Grants and Contributions (Operating and Capital) decreased by a total of approximately \$2.3M for Business-Type Activities.
- Tax Revenues increased, including Property Taxes of \$1.3M and Other Taxes of \$0.3M.

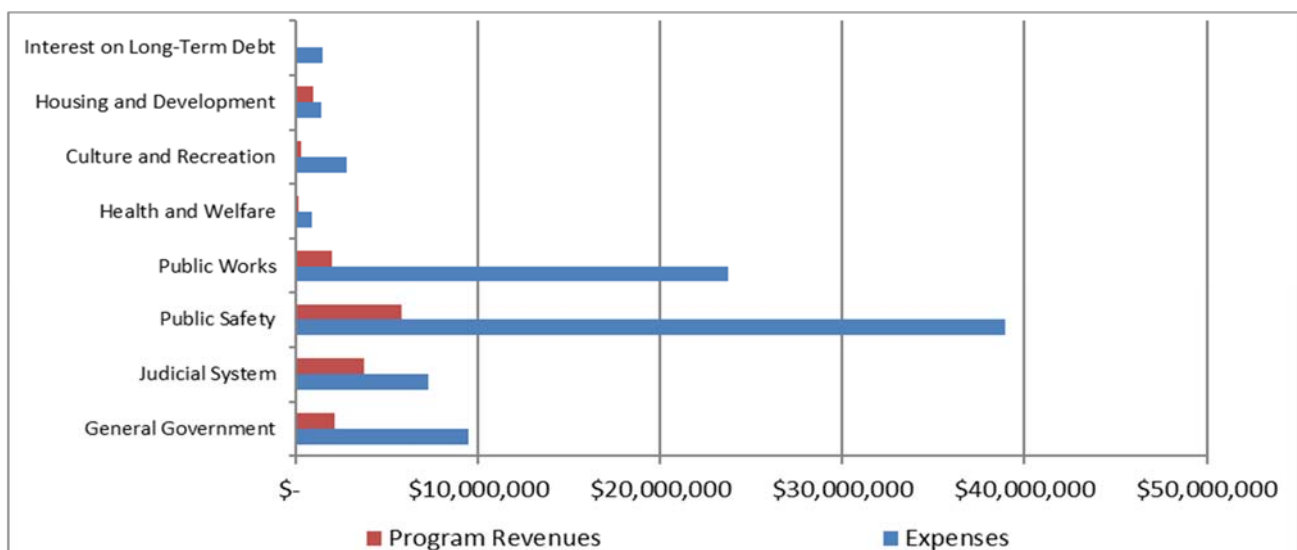
Expenses:

- The increase in expenses, year over year, includes a major impact as a result of \$8.4M of expenses related to 2004 and 2017 SPLOST funded projects and an increase in Maintenance & Operations expenses of \$1.4M, primarily attributable to merit increases.
- Water System expenses increased by \$2.1M, followed by an increase in Public Safety expenses of \$1.1M

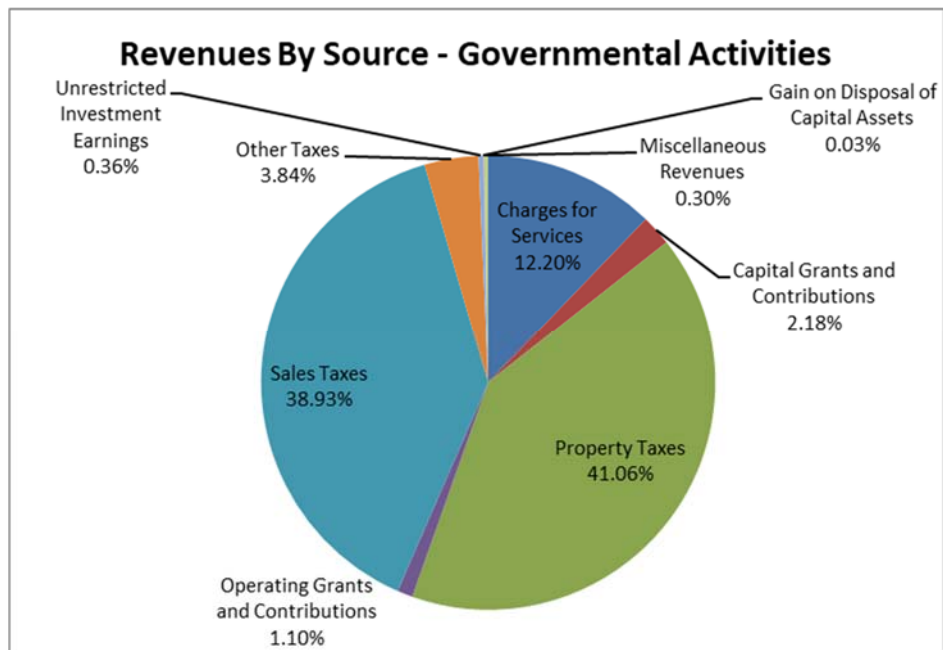
The following chart shows the relationship of functional expenses and the related program revenues that are generated to offset some of the expense of providing that service. Out of the \$85,885,179 in Total Governmental Activities Expenses for the 2018 fiscal year, \$15,009,646 is covered by Program Revenues. The remaining functional expenses of \$70,875,533 are funded through General Revenues such as taxes and interest income.

Functional Expenses and Program Revenues – Governmental Activities

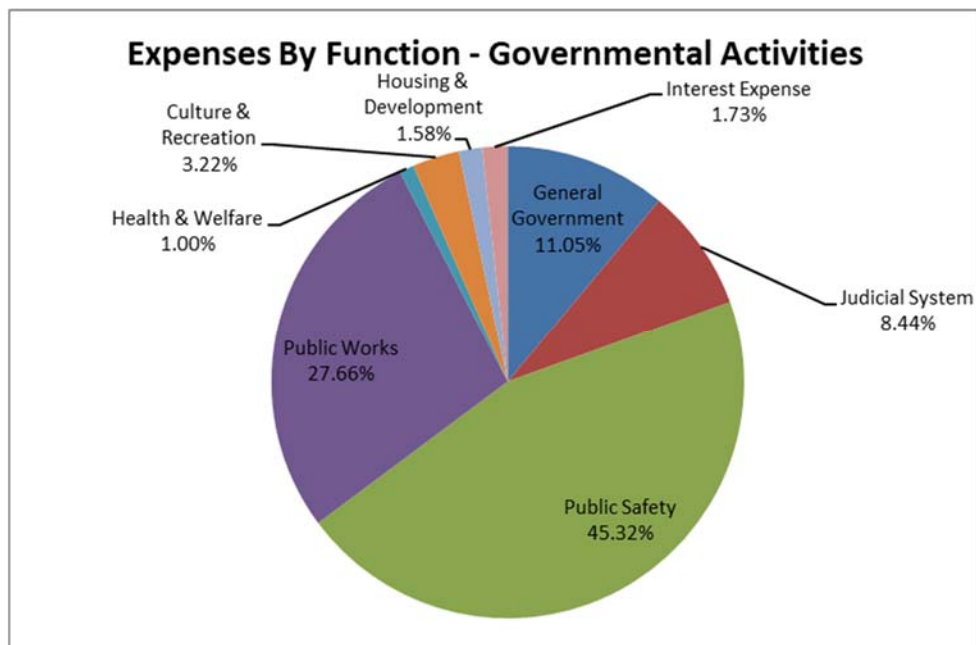
As with any government, management attempts to achieve the right mix between revenue sources and services. While the intrinsic nature of certain services, such as recreational programs and building inspections, lends themselves to the assessment of user fees to offset the cost of delivering that service;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



The pie chart that follows shows the relative mix of revenues used to fund the County's *Governmental Activities* during the fiscal year ended June 30, 2018. As one might expect in the case of providing governmental services, the largest source is the Property Tax category.



The second chart depicts the relative mix of functional expenses incurred by the *Governmental Activities*. Again, it comes as no surprise that the largest expense of the County is the Public Safety function.



Business-Type Activities. A year over year decrease in Net Position for the fiscal year ended June 30, 2018 of \$2,648,141 was attributable to the *Business-Type Activities*. In comparing the operating results between the two fiscal years, the key elements are discussed below:

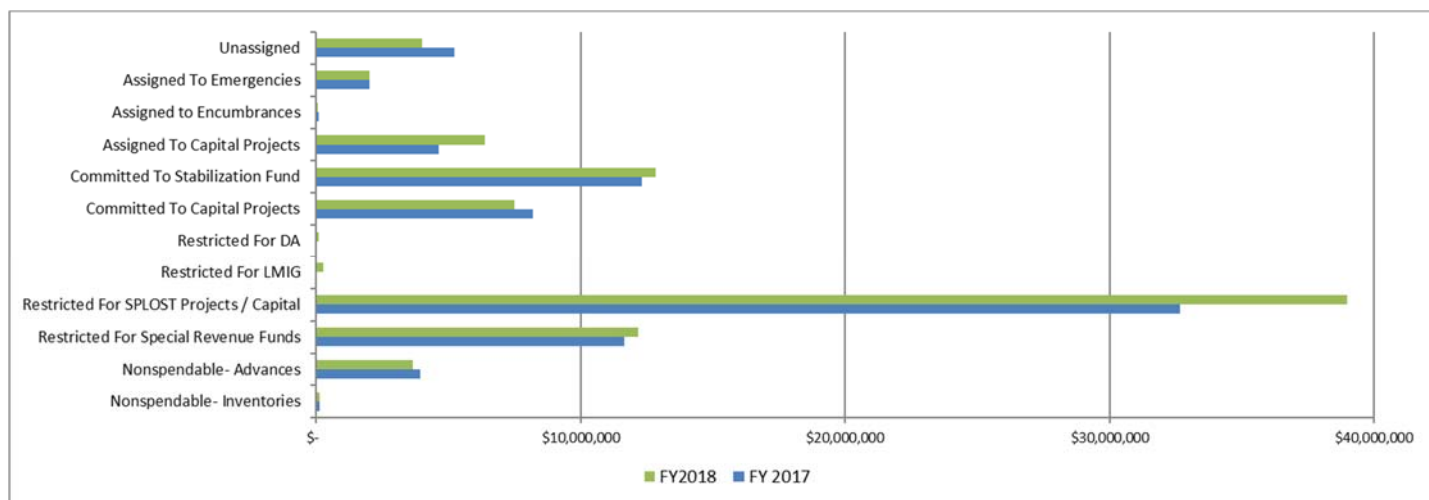
- The *Capital Grants and Contributions* category decreased by \$2.3M compared to the previous fiscal year.
- *Water Sales* decreased by 9.67% or approximately \$1.0M.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The following bar chart compares the fund balance information at June 30, 2017 and 2018. At the top of the chart is a comparison of the "Unassigned" fund balance. The items below "Unassigned" provide an overview of how the various components of fund balance have changed as a result of the operating activity for the 2018 fiscal year. The discussion that immediately follows the chart will be helpful in understanding the underlying reasons for the increases or decreases in the particular data points.



As of June 30, 2018, Fayette County's *Governmental Funds* reported combined ending fund balances of \$88,073,991, an increase of \$7,324,048 or about 9.07% percent in comparison with the previous fiscal year. There are specific spending patterns and budgetary decisions that are responsible for the net decrease. First, the fund balances of the two 2017 SPLOST Capital Projects Funds increased by a total of \$9,711,346 during the period. FY2018 was the first year that the additional 1% Special Purpose Local Option Sales Tax was collected since its approval in March 2017. Alternatively, the fund balances of the two 2004 SPLOST Road Capital Projects decreased by (\$3,032,962). While the County is no longer receiving any revenues from the 2004 Special Purpose Local Option Sales Tax (SPLOST,) which expired in March of 2010, those tax receipts collected in previous fiscal years are being spent to construct those road improvement projects approved by the voters. Since this was a one-time revenue source dedicated to use for specific road construction projects, this trend for annual decreases in fund balance for these two 2004 SPLOST Capital Projects Funds will continue until the remaining funds of \$28,627,912 are exhausted.

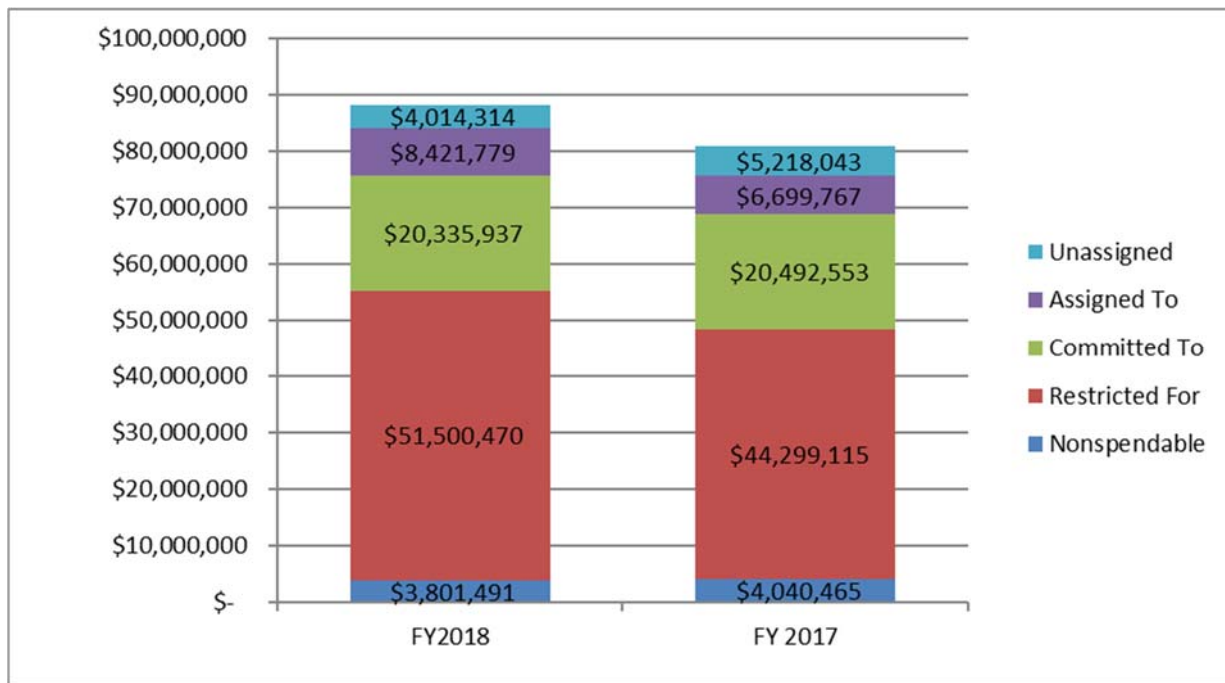
On March 21, 2017, the Fayette County citizens approved an additional 1% sales tax for the approved list of projects presented as part of the 2017 SPLOST referendum. This additional 1% sales tax began on July 1, 2017 and will continue to be disbursed to the municipalities in Fayette County based upon a pre-approved distribution percentage allocation. The municipalities include City of Fayetteville, City of Peachtree City, Town of Tyrone, Town of Brooks, and Woolsey.

Fayette County's list of presented projects include Stormwater, Transportation, and Public Safety. Many of the highly critical projects began in FY2017 and FY2018, which is why the 2017 SPLOST is separated as an individual fund in the FY2018 financials. The 2017 SPLOST fund balance of \$10,463,626 is included in the "Restricted for SPLOST Projects / Capital" portion of the previous chart.

Also, the excess of revenues over expenditures within the General Fund of \$1,869,170, along with the net transfers in/out of (\$961k) increased fund balance by approximately \$908k. These transfers were used to provide funding for the 2018 Capital Improvement and Construction projects budget.

To gather a good understanding of the availability for appropriation in future periods or the "spendability" of the \$88,073,991 reported as *Governmental Funds* fund balance, it is critical to begin by reviewing its various components in the report. By doing so, the reader can ascertain what legal restrictions, previous commitments, or intended uses might be associated with the various fund balances. The chart above depicts these components.

Total Governmental Funds Fund Balances



In looking at the first item in the report, \$3,801,491 or 4.32% of the total is reported in the “*Nonspendable*” category. Of this \$3.8M, \$137,535 represents inventories that are considered current assets but are not in a spendable form. The remaining \$3,663,956 is categorized as Advances to the Stormwater Utility Fund as a loan to assist with expenditures related to Stormwater Projects. Thus, this amount is not available for appropriation. This Advance was re-allocated to the 2017 SPLOST Projects Fund in FY2017 and FY2018, as the Stormwater Projects were re-allocated to that fund as well.

The aggregate amount for the “*Restricted For*” category is \$51,500,470 and comprises 58.47% of the total. The purpose of this category is to inform the reader that these balances carry specific legal restrictions as to what they can be spent for in future periods. So in terms of availability, any future appropriation would have to meet the legal restrictions associated with that specific fund. This component mainly comprises the fund balances of the Special Revenue Funds (i.e., \$12,174,549) which are legally restricted for certain programs or services based on each individual fund’s revenue stream and the four SPLOST Projects Funds (i.e., \$38,993,274) which are restricted by referendum to specific construction / capital expenditures.

The aggregate amount for the “*Committed To*” category is \$20,335,937 and comprises 23.09% of the total. This category represents the amount of fund balance that is not considered available for “new expenditures” since it has already been committed to a specific purpose by the Board of Commissioners. This component comprises the fund balances of the remaining Capital Projects Funds (i.e., \$7,486,665) which represents monies that the Board of Commissioners has committed to specific capital improvements, and a Stabilization Fund (\$12,849,272) that represents monies that the Board of Commissioners has committed to use as a working cash reserve balance in the General Fund. Since property tax revenues are not received until the middle of the fiscal year, these monies are needed to bridge the cash flow gap between expenditure outflows early in the fiscal year and revenue inflows which occur later in the operating period. To avoid the need for short-term borrowing, the Stabilization Fund

was created by Board resolution and consequently these committed funds are not considered to be spendable. In terms of budgetary coverage for the General Fund, the Stabilization Fund is equal to three months of normal operating expenditures.

The sum of the “*Assigned To*” category is \$8,421,779 or about 9.56% of the total amount. This category identifies existing limitations on the “availability” of fund balance for appropriation since a specific future use has already been formally identified. This component represents monies that the Board of Commissioners has assigned for future use in an emergency (\$2,000,000), and to provide a source of funding for the five-year capital improvements plan (\$6,358,858). There were also \$62,921 of encumbrances included in the “*Assigned To*” category.

The final component is the *Unassigned Fund Balance* for the General Fund. At June 30, 2018, the balance was \$4,014,314 which comprises 4.56% of the total. This is the amount that can be spent at the government’s discretion in future periods.

Analysis of the Major Governmental Funds

General Fund: The General Fund is the chief operating fund of Fayette County. At June 30, 2018 and 2017 the *Total Fund Balance* of the General Fund was \$29,419,503 and \$28,511,303, respectively. The net change in the fund balance during the 2018 fiscal year was an increase of \$908,200 or 3.19%, compared to last year’s fund balance \$1.2M decrease. This variance includes an increase in revenues of \$1.2 million, an increase in expenditures of \$1.4 million and a decrease in other financing uses of \$2.3M from the previous fiscal year.

FY2018 and FY2017 revenues are \$50,407,313 and \$49,198,565, respectively. The variance, year over year, is approximately \$1.2 million. On the revenue side, the growth in the tax digest for Fayette County added \$660k in property taxes, while sales taxes increased by \$790k. Intergovernmental revenues decreased by \$300k, totaling the \$1.2M increase.

FY2018 expenditures of \$48,538,143 and FY2017 expenditures of \$47,100,353 varied, year over year, by an increase of \$1,437,790. Workers’ Compensation claims required an allocation of \$190k, while an increase in FTEs and a merit increase were \$700k. The breakdown below shows the major increases/decreases of General Fund functions:

- General Government \$655k
- Judicial \$310k
- Public Safety \$657k
- Public Works (\$354k)

The remaining variance, year over year, in other financing uses decreased by approximately \$2.3M, which includes a decrease in capital project transfers. This decrease in the capital project transfer is largely due to other funding sources and a focus on 2017 SPLOST projects.

At June 30, 2018 and 2017, the *Unassigned Fund Balance* was \$4,014,314 and \$5,218,042, respectively representing a decrease of \$1,203,729 or (23.07) %.

As a measure of the liquidity of the General Fund, it is useful to compare both *the Unassigned Fund Balance* and *Total Fund Balance* to total fund expenditures. At June 30, 2018, *Unassigned Fund Balance* represents 8.27 percent of total General Fund expenditures; while *Total Fund Balance* represents 60.61 percent of that same amount.

Fire Services: The Fire Services Tax District Special Revenue Fund accounts for fire services that are provided to those residents living and businesses located within the tax district. The financing for the services accounted for in this fund primarily comes from a special tax levy and the insurance premium tax. This fund has a *Total Fund Balance* of \$4,090,117 at June 30, 2018, which represents a decrease from the prior year of \$354,652 or (7.98%). The decrease in fund balance can be traced to an increase in transfers related to capital projects. In measuring liquidity, *Total Fund Balance* for the Fire Services Fund represents 45.61 percent of its FY 2018 expenditures.

County-Wide Roads 2004 SPLOST: The County-Wide Roads SPLOST Capital Projects Fund has a total fund balance of \$28,529,648 at June 30, 2018, which represents a decrease from the prior year of \$3,028,838 or (9.60%). The primary reasons for the decrease in fund balance is continued work on approved road projects during the fiscal year coupled with the absence of a funding source because the SPLOST tax collection period ended in March of 2010. As noted previously, this downward trend in fund balance is expected to continue over the remaining life of the road SPLOST program.

2017 SPLOST: Fayette County citizens passed a 2017 1% SPLOST tax on March 21, 2017. Fayette County and its municipalities provided a list of projects to be funded with the additional tax. The tax revenue collected over this six-year period is estimated to be at \$141M, with Fayette County's distribution estimated to be at \$64M. The projects funded through this new 1% SPLOST will focus on Stormwater, Transportation, and Public Safety. This is a new fund and new major fund as of FY2017 and is expected to continue through the life of the projects. Collection of the tax began on July 1, 2017. As of June 30, 2018, the fund balance is \$10,463,626 which is a \$9,710,545 increase over last fiscal year. This is due to the first year of the 2017 SPLOST collections, effective July 1, 2017.

Proprietary Funds. Fayette County's *Proprietary Funds* provide the same type of financial information found in the *Government-Wide Statements*, but in more detail. The *Total Net Position* for the three *Proprietary Funds* was \$85,097,284 at June 30, 2018 which represented a decrease of \$2,755,926 from the previous year.

The *Unrestricted Net Position* of the Water System Enterprise Fund was (\$1,788,429) at June 30, 2018 which represented a decrease of \$1,554,016 compared to the previous year. The primary reason for this decrease was an increase in operating expenses of \$2,276,668 and a decrease in total operating revenues of \$1,057,647.

The *Total Net Position* for the Water System was \$84,761,492 June 30, 2018 which represents a decrease of \$650,985 during the 2018 fiscal year while Solid Waste and Stormwater had changes of (\$172,029) and (\$1,825,127), respectively. Stormwater's Net Position decreased to \$0, due to the closing of the fund and the sunset of the utility.

General Fund Budget

During Fiscal Year 2018, there was a net increase of \$795,423 in expenditures (not including other financing uses) between the original and final amended budget. Besides the net effect of several minor budget adjustments, the major components of the difference between the original and final amended budget are as follows:

- An increase in FY2017 encumbrances of \$401k:
 - General Fund M&O \$ 83k from FY2017
 - Additional encumbrance \$318k related to LMIG7
- An increase in the expenditure budget related to additional Workers' Compensation charges for \$190k:
 - Sheriff's Office \$141k
 - Road Department \$45k
- An increase of \$127,683 related to Road Department's LMIG expenses.

On the revenue side (not including other funding sources) the change in FY 2018 was a decrease of \$498,581. Besides the net effect of various minor budget adjustments, the major components of the revenue change are as follows:

- A decrease in revenue budget of \$621,319 for the Road Department 3-Road Project (Ebenezer, Highway 85 Connector, and Brooks Woolsey). The majority of the revenue was recognized in FY2017, due to early completion of the project at the end of FY2017.
- An increase of \$55,000 and \$59,767 for LMIG 7 and LMIG 8, respectively. LMIG7 received additional funds during the year, due to re-appropriation by GDOT. LMIG8 received more funding than originally anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Fayette County's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to \$228,681,285 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, roads, highways, bridges, improvements other than buildings, machinery and equipment, raw water reservoirs, and park facilities. The tabular information presented below provides a breakdown of capital asset balances by general classification and activity type as of June 30, 2018 and 2017.

The \$39,410,000 of debt shown in the Business-Type Activities column represents Fayette County Water Revenue Bonds which have been issued primarily for the purpose of constructing plants, storage tanks, raw water reservoirs and pipelines for the Water System, and the refunding of previous bond issues. The outstanding bonds are secured by a pledge of and lien on revenues derived by the County from the ownership and operation of the Water System. The Fayette County, Georgia Water Revenue Bonds have received a rating of “Aa2” from Moody’s Investors Service and a rating of “AA” from Standard and Poor’s.

In February 2015, Moody’s upgraded Fayette County’s bond rating to “Aaa” following Standard and Poor’s upgrade to “AAA” in August 2014. This rating is confirmation that the County continues to demonstrate sound financial performance as shown through the recent confirmation from Moody’s Annual Comment on Fayette County in November of this year. In the comment Moody’s states “Fayette County’s credit position is superior, and Aaa rating exceeds the median rating of Aa2 for counties nationwide.”

In October 2015, Standard and Poor’s reaffirmed their “AA” rating for the Fayette County, Georgia Water Revenue Bonds.

Additional information on Fayette County’s long-term debt is provided in Note III. F. which can be found on pages 78 through 85 of this report.

Economic Factors

The national and local economies are still improving, but the rate of improvement has slowed. On the national level, the stock market continues to be strong and employment rates are good. Locally, the real estate market is active with continued development and sales. Some important indicators of current economic conditions are:

- U.S. Department of Labor statistics indicate that the unemployment rate for the United States in June 2018 was 4.0 percent which represented a decrease of 0.4 percent from the June 2017 rate of 4.4 percent. Similarly, the jobless rate for the State of Georgia in June 2018 was 4.1 percent which was down 0.7 percent from the previous June. Fayette County’s unemployment rate was 3.8 percent which is comparable to both the state and the national average.
- The Consumer Price Index (CPI) has increased by 2.9 percent from June 2017 to June 2018 according to the Bureau of Labor Statistics.
- According to the Georgia Department of Revenue, the Net Maintenance and Operation (M&O) Tax Digest for Fayette County increased by \$587,613,571 or 11.7 percent from January 1, 2016 to January 1, 2017. The increase from January 1, 2017 to January 1, 2018 was \$280,556,051 or 5.0 percent.

These economic factors were taken into consideration when preparing the County’s budget for the 2019 fiscal year.

Next Year's Budget and Rates

During the current fiscal year, the *Unassigned Fund Balance* in the General Fund decreased, by \$1,203,729, from \$5,218,042 to \$4,014,314. For the upcoming 2019 fiscal year budget, under continuing improved economic conditions, the direction from the Board of Commissioners was to develop a balanced budget without the use of reserved fund balance thus avoiding the need to raise property taxes. In fact, the FY 2019 budget includes a rollback of the General Fund maintenance & operations millage rate. This was accomplished by focusing on continued cost containment.

The millage rates adopted for the various tax-supported Governmental Funds for fiscal years 2018 and 2019 are shown in the following table. A reduction to the General Fund maintenance and operations millage rate for the 2018 fiscal year budget was applied to eliminate any tax increase resulting from an increase in home value (known as the rollback rate), thus no change in the amount of taxes billed for General Fund operations.

<u>Governmental Fund</u>	MILLAGE RATES		NET CHANGE	
	<u>FY2019</u>	<u>FY2018</u>	<u>AMOUNT</u>	<u>PERCENT</u>
General Fund (M&O)	4.392	4.509	(0.117)	-2.59%
Fire Services	3.070	3.070	0.000	0.00%
Emergency Medical Services	0.456	0.456	0.000	0.00%
911 Communications	0.210	0.210	0.000	0.00%
Total for All Funds	8.128	8.245	(0.117)	-2.59%

For the 2019 fiscal year budget, there were no rate adjustments approved for any of the two Enterprise Funds. The third Enterprise Fund, Stormwater, was closed in FY2018.

Request for Information

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



BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Statement of Net Position
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 43,106,316	\$ 301,149	\$ 43,407,465	\$ 1,259,066	\$ 1,437,381
Restricted	808,441	16,797,901	17,606,342	-	-
Investments	48,896,823	-	48,896,823	-	682,698
Receivables (net of allowance for uncollectibles)	6,650,644	1,550,881	8,201,525	2,500	-
Inventories	137,535	505,412	642,947	-	-
Prepaid items	131,147	8,456	139,603	-	-
Net pension asset	2,761,047	309,013	3,070,060	-	-
Capital assets not being depreciated	31,971,731	22,302,663	54,274,394	-	-
Capital assets, net of accumulated depreciation	88,953,583	85,453,308	174,406,891	178,480	27,624
Total assets	<u>223,417,267</u>	<u>127,228,783</u>	<u>350,646,050</u>	<u>1,440,046</u>	<u>2,147,703</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	5,350,378	598,809	5,949,187	-	163,841
Deferred outflows related to OPEB	-	-	-	-	106,105
Deferred charges on bond refunding	<u>2,132,940</u>	<u>1,484,514</u>	<u>3,617,454</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>7,483,318</u>	<u>2,083,323</u>	<u>9,566,641</u>	<u>-</u>	<u>269,946</u>

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

Fayette County, Georgia
Statement of Net Position
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
LIABILITIES					
Accounts payable	5,082,135	1,370,434	6,452,569	6,656	-
Claims payable	886,052	-	886,052	-	-
Salaries and benefits payable	777,119	84,417	861,536	-	-
Unearned revenue	16,685	96,700	113,385	5,647	-
Accrued interest payable	103,957	349,746	453,703	-	-
Noncurrent liabilities:					
Due within one year	2,603,731	3,998,250	6,601,981	-	28,842
Due in more than one year	32,296,723	37,998,222	70,294,945	-	1,590,599
Total liabilities	41,766,402	43,897,769	85,664,171	12,303	1,619,441
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	3,069,790	317,053	3,386,843	-	66,508
Deferred inflows related to OPEB	-	-	-	-	136,631
Total deferred inflows of resources	3,069,790	317,053	3,386,843	-	203,139
NET POSITION					
Net investment in capital assets	91,754,046	67,569,842	159,323,888	178,480	27,624
Restricted for:					
Highways and streets	39,349,927	-	39,349,927	-	-
Special tax district services	6,164,818	-	6,164,818	-	-
Other purposes	5,983,096	-	5,983,096	-	831,441
Debt service	-	8,884,323	8,884,323	-	-
Renewal and extension	-	10,289,134	10,289,134	-	-
Unrestricted	42,812,506	(1,646,015)	41,166,491	1,249,263	(263,996)
Total net position	\$ 186,064,393	\$ 85,097,284	\$ 271,161,677	\$ 1,427,743	\$ 595,069

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

Fayette County, Georgia
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
Primary Government:									
Governmental Activities:									
General government	\$ 9,492,940	\$ 1,794,713	\$ 261,910	\$ 43,494	\$ (7,392,823)	\$ -	\$ (7,392,823)	\$ -	\$ -
Judicial system	7,249,775	3,199,299	430,964	109,083	(3,510,429)	-	(3,510,429)	-	-
Public safety	38,921,791	5,505,914	305,781	-	(33,110,096)	-	(33,110,096)	-	-
Public works	23,756,478	7,093	-	1,959,866	(21,789,519)	-	(21,789,519)	-	-
Health and welfare	850,264	69,029	48,500	-	(732,735)	-	(732,735)	-	-
Culture and recreation	2,765,542	299,717	3,140	-	(2,462,685)	-	(2,462,685)	-	-
Housing and development	1,360,513	953,394	17,749	-	(389,370)	-	(389,370)	-	-
Interest on long-term debt	1,487,876	-	-	-	(1,487,876)	-	(1,487,876)	-	-
Total governmental activities	85,885,179	11,829,159	1,068,044	2,112,443	(70,875,533)	-	(70,875,533)	-	-
Business-Type Activities:									
Water system	17,987,474	15,931,846	-	1,242,681	-	(812,947)	(812,947)	-	-
Solid waste	243,983	71,877	-	-	-	(172,106)	(172,106)	-	-
Stormwater utility	285,093	-	-	-	-	(285,093)	(285,093)	-	-
Total business-type activities	18,516,550	16,003,723	-	1,242,681	-	(1,270,146)	(1,270,146)	-	-
Total primary government	\$ 104,401,729	\$ 27,832,882	\$ 1,068,044	\$ 3,355,124	(70,875,533)	(1,270,146)	(72,145,679)	-	-
Component Units:									
Development Authority	\$ 425,513	\$ 5,000	\$ 23,652	\$ -	-	-	-	(396,861)	-
Department of Public Health	1,247,052	929,919	790,342	-	-	-	-	-	473,209
Total component units	\$ 1,672,565	\$ 934,919	\$ 813,994	\$ -	-	-	-	(396,861)	473,209
General revenues:									
Property taxes					39,824,105	-	39,824,105	-	-
Sales taxes					37,756,182	-	37,756,182	-	-
Other taxes					3,728,125	-	3,728,125	-	-
Unrestricted investment earnings					351,280	172,097	523,377	4,129	1,086
Gain on disposal of capital assets					29,057	(10,058)	18,999		
Miscellaneous revenues					290,604	-	290,604	1,301,447	-
Transfers					1,540,034	(1,540,034)	-	-	-
Total general revenues and transfers					83,519,387	(1,377,995)	82,141,392	1,305,576	1,086
Change in net position					12,643,854	(2,648,141)	9,995,713	908,715	474,295
Net position - beginning, as restated					173,420,539	87,745,425	261,165,964	519,028	120,774
Net position - ending					\$ 186,064,393	\$ 85,097,284	\$ 271,161,677	\$ 1,427,743	\$ 595,069

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

Fayette County, Georgia
Balance Sheet
Governmental Funds
June 30, 2018

	General	Fire Services	2017 SPLOST	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 2,535,012	\$ 4,203,049	\$ 12,831,120	\$ 4,645,231	\$ 15,112,848	\$ 39,327,260
Investments	22,500,166	-	-	26,396,657	-	48,896,823
Receivables (net of allowances for uncollectibles)	2,559,420	126,525	2,067,731	80,874	1,119,910	5,954,460
Advances to other funds	3,663,956	-	-	-	-	3,663,956
Inventories	137,535	-	-	-	-	137,535
Total assets	<u>\$ 31,396,089</u>	<u>\$ 4,329,574</u>	<u>\$ 14,898,851</u>	<u>\$ 31,122,762</u>	<u>\$ 16,232,758</u>	<u>\$ 97,980,034</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 1,144,551	\$ 33,647	\$ 771,269	\$ 2,593,114	\$ 535,887	\$ 5,078,468
Salary and benefits payable	551,960	131,673	-	-	93,486	777,119
Advances from other funds	-	-	3,663,956	-	-	3,663,956
Unearned revenue	16,685	-	-	-	-	16,685
Total liabilities	<u>1,713,196</u>	<u>165,320</u>	<u>4,435,225</u>	<u>2,593,114</u>	<u>629,373</u>	<u>9,536,228</u>
Deferred inflows of resources -						
Unavailable revenue	<u>263,390</u>	<u>74,137</u>	<u>-</u>	<u>-</u>	<u>32,288</u>	<u>369,815</u>
Fund balances:						
Nonspendable	3,801,491	-	-	-	-	3,801,491
Restricted	332,647	4,090,117	10,463,626	28,529,648	8,084,432	51,500,470
Committed	12,849,272	-	-	-	7,486,665	20,335,937
Assigned	8,421,779	-	-	-	-	8,421,779
Unassigned	4,014,314	-	-	-	-	4,014,314
Total fund balances	<u>29,419,503</u>	<u>4,090,117</u>	<u>10,463,626</u>	<u>28,529,648</u>	<u>15,571,097</u>	<u>88,073,991</u>
Total liabilities and fund balances	<u>\$ 31,396,089</u>	<u>\$ 4,329,574</u>	<u>\$ 14,898,851</u>	<u>\$ 31,122,762</u>	<u>\$ 16,232,758</u>	<u>\$ 97,980,034</u>

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

Fayette County, Georgia
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2018

Total fund balances - Governmental Funds		\$ 88,073,991
Amounts for Governmental Activities on the Statement of Net Position are different because:		
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported as assets in Governmental Funds.		120,925,314
Prepaid expenses are reported on the consumption method and therefore are not reported in the Governmental Funds.		28,636
The net pension asset and related deferred inflows and outflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds.		
Net pension asset	\$ 2,761,047	
Deferred outflows of resources - pension related items	5,350,378	
Deferred inflows of resources - pension related items	<u>(3,069,790)</u>	5,041,635
The total OPEB liability is not expected to be liquidated with current available financial resources and, therefore, is not reported in the governmental funds		(674,335)
Property taxes that have been levied for the current and prior years and not collected within sixty days of the year-end are not available soon enough to pay for the current period's expenditures. Therefore, that portion of taxes receivable is reported as unavailable revenues in the Governmental Funds.		369,815
Internal Service Funds are used by management to charge the costs of certain employee insurance coverages and vehicle/equipment expenses to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Governmental Activities in the Statement of Net Position.		
Net position of the Internal Service Funds	10,541,551	
Less: Capital assets (included above)	<u>(6,646,078)</u>	3,895,473
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the Governmental Funds.		
Revenue bonds payable	(29,750,000)	
Deferred charges on refunding	2,132,940	
Bond premium	(953,208)	
Compensated absences	(2,775,327)	
Early termination benefits	(146,584)	
Accrued interest	<u>(103,957)</u>	<u>(31,596,136)</u>
Total net position - Governmental Activities		<u>\$ 186,064,393</u>

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, 2018

	General	Fire Services	2017 SPLOST	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes:						
Property	\$ 29,005,942	\$ 7,819,538	\$ -	\$ -	\$ 3,088,901	\$ 39,914,381
Sales	12,638,205	-	25,117,977	-	-	37,756,182
Other	808,334	2,915,469	-	-	4,322	3,728,125
Licenses and permits	975,036	-	-	-	-	975,036
Intergovernmental	1,554,873	-	51,244	454,269	840,905	2,901,291
Charges for services	3,317,113	187,722	-	-	4,385,947	7,890,782
Fines and forfeitures	1,682,488	-	-	-	1,278,821	2,961,309
Investment earnings	216,670	37,941	74,259	178,653	43,713	551,236
Contributions and donations	17,083	-	-	-	6,000	23,083
Miscellaneous revenues	191,569	73,478	152	-	30,614	295,813
Total revenues	50,407,313	11,034,148	25,243,632	632,922	9,679,223	96,997,238
EXPENDITURES:						
Current:						
General government	8,592,297	-	-	-	-	8,592,297
Judicial system	5,560,221	-	-	-	735,061	6,295,282
Public safety	20,325,379	8,967,220	-	-	7,592,522	36,885,121
Public works	6,396,725	-	-	-	324,324	6,721,049
Health and welfare	843,841	-	-	-	-	843,841
Culture and recreation	2,219,562	-	-	-	-	2,219,562
Housing and development	1,340,112	-	-	-	-	1,340,112
Debt service:						
Principal retirement	1,890,000	-	-	-	-	1,890,000
Interest and fiscal charges	1,370,006	-	-	-	-	1,370,006
Capital outlay	-	-	4,686,933	1,661,760	3,125,975	9,474,668
Intergovernmental	-	-	11,627,517	2,000,000	4,124	13,631,641
Total expenditures	48,538,143	8,967,220	16,314,450	3,661,760	11,782,006	89,263,579
Excess (deficiency) of revenues over (under) expenditures	1,869,170	2,066,928	8,929,182	(3,028,838)	(2,102,783)	7,733,659
OTHER FINANCING SOURCES (USES):						
Transfers in	198,702	4,800	782,164	-	2,534,877	3,520,543
Transfers out	(1,168,255)	(2,426,380)	-	-	(360,702)	(3,955,337)
Sale of capital assets	8,583	-	-	-	16,600	25,183
Total other financing sources (uses)	(960,970)	(2,421,580)	782,164	-	2,190,775	(409,611)
Net change in fund balance	908,200	(354,652)	9,711,346	(3,028,838)	87,992	7,324,048
Fund balance, beginning of year	28,511,303	4,444,769	752,280	31,558,486	15,483,105	80,749,943
Fund balance, end of year	\$ 29,419,503	\$ 4,090,117	\$ 10,463,626	\$ 28,529,648	\$ 15,571,097	\$ 88,073,991

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, 2018

Net change in fund balances - total Governmental Funds \$ 7,324,048

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay	\$ 9,656,527	
Depreciation expense	<u>(7,138,880)</u>	2,517,647

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

Net book value of capital assets disposed	(2,689)	
Transfer of assets from business-type activities	<u>757,870</u>	755,181

Prepaid expenses are reported on the purchases method in Governmental Funds but are reported as consumed in the Statement of Net Position 3,858

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. (90,276)

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

Principal payments on bonds	1,890,000	
Amortization of deferred charges	(177,745)	
Amortization of bond premium	<u>79,449</u>	1,791,704

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(46,093)	
Change in early termination benefits	89,798	
Change in accrued interest payable	4,492	
Change in pension expense	(591,585)	
Change in OPEB expense	<u>72,563</u>	(470,825)

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

Change in net position of Governmental Activities	<u>\$ 12,643,854</u>
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The accompanying notes are an integral part of these financial statements.

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
ASSETS				
Current assets:				
Cash and cash equivalents:				
Unrestricted	\$ 125,349	\$ 175,800	\$ 301,149	\$ 3,597,270
Restricted	16,797,901	-	16,797,901	808,441
Cash with fiscal agent	-	-	-	181,786
Accounts receivable, net of allowance	1,542,666	8,215	1,550,881	696,184
Inventories	505,412	-	505,412	-
Prepaid items	8,456	-	8,456	102,511
Total current assets	18,979,784	184,015	19,163,799	5,386,192
Noncurrent assets:				
Capital assets:				
Nondepreciable	22,190,810	111,853	22,302,663	-
Depreciable, net	85,371,783	81,525	85,453,308	6,646,078
Total capital assets	107,562,593	193,378	107,755,971	6,646,078
Other assets -				
Net pension asset	304,290	4,723	309,013	-
Total noncurrent assets	107,866,883	198,101	108,064,984	6,646,078
Total assets	126,846,667	382,116	127,228,783	12,032,270
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	589,656	9,153	598,809	-
Deferred charges on bond refunding	1,484,514	-	1,484,514	-
Total deferred outflows of resources	2,074,170	9,153	2,083,323	-

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

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	1,363,392	7,042	1,370,434	3,667
Claims payable	-	-	-	886,052
Salaries and benefits payable	83,433	984	84,417	-
Compensated absences	47,860	390	48,250	-
Unearned revenue	96,700	-	96,700	-
Accrued interest payable	349,746	-	349,746	-
Revenue bonds payable - current	3,950,000	-	3,950,000	-
Total current liabilities	<u>5,891,131</u>	<u>8,416</u>	<u>5,899,547</u>	<u>889,719</u>
Noncurrent liabilities:				
Compensated absences	164,518	2,347	166,865	-
Certificates of participation	-	-	-	601,000
Bonds payable (net of discounts and premiums)	37,720,643	-	37,720,643	-
Landfill closure & postclosure	-	39,380	39,380	-
Net OPEB liability	70,513	821	71,334	-
	<u>37,955,674</u>	<u>42,548</u>	<u>37,998,222</u>	<u>601,000</u>
Total liabilities	<u>43,846,805</u>	<u>50,964</u>	<u>43,897,769</u>	<u>1,490,719</u>
DEFERRED INTFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>312,540</u>	<u>4,513</u>	<u>317,053</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	67,376,464	193,378	67,569,842	6,045,078
Restricted for:				
Debt service	8,884,323	-	8,884,323	-
Renewal and construction	10,289,134	-	10,289,134	-
Unrestricted	(1,788,429)	142,414	(1,646,015)	4,496,473
Total net position	<u>\$ 84,761,492</u>	<u>\$ 335,792</u>	<u>\$ 85,097,284</u>	<u>\$ 10,541,551</u>

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

Fayette County, Georgia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
Operating Revenues:				
Charges for sales and services:				
Water sales	\$ 15,931,846	\$ -	\$ 15,931,846	\$ -
Solid waste fees	-	71,877	71,877	-
Other services	-	-	-	9,742,358
Miscellaneous	-	-	-	24
Total operating revenues	<u>15,931,846</u>	<u>71,877</u>	<u>16,003,723</u>	<u>9,742,382</u>
Operating Expenses:				
Costs of sales and services	5,540,277	244,350	5,784,627	8,700,586
Administration	3,122,189	268,682	3,390,871	583,659
Depreciation	5,875,550	16,044	5,891,594	939,278
Total operating expenses	<u>14,538,016</u>	<u>529,076</u>	<u>15,067,092</u>	<u>10,223,523</u>
Operating income (loss)	<u>1,393,830</u>	<u>(457,199)</u>	<u>936,631</u>	<u>(481,141)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental	(2,000,000)	-	(2,000,000)	-
Interest income	172,020	77	172,097	52,956
Interest expense	(1,444,834)	-	(1,444,834)	(24,066)
Loss on disposal of capital assets	(10,058)	(757,870)	(767,928)	47,810
Other expense	(4,624)	-	(4,624)	-
Total nonoperating revenues (expenses)	<u>(3,287,496)</u>	<u>(757,793)</u>	<u>(4,045,289)</u>	<u>76,700</u>
Income (loss) before contributions and transfers	(1,893,666)	(1,214,992)	(3,108,658)	(404,441)
Capital contributions	1,242,681	-	1,242,681	-
Transfers in	-	-	-	1,216,958
Transfers out	-	(782,164)	(782,164)	-
Change in net position	(650,985)	(1,997,156)	(2,648,141)	812,517
Total net position - beginning, as restated	<u>85,412,477</u>	<u>2,332,948</u>	<u>87,745,425</u>	<u>9,729,034</u>
Total net position - ending	<u>\$ 84,761,492</u>	<u>\$ 335,792</u>	<u>\$ 85,097,284</u>	<u>\$ 10,541,551</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, 2018

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Non-Major		Activities -
	System	Enterprise	Total	Internal
		Funds		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 16,014,710	\$ 145,986	\$ 16,160,696	\$ 1,876,895
Receipts from interfund services provided	-	-	-	7,212,318
Payments to suppliers	(5,285,907)	(158,553)	(5,444,460)	(8,791,111)
Payments to employees	(3,696,434)	(50,934)	(3,747,368)	-
Net cash provided (used) by operating activities	<u>7,032,369</u>	<u>(63,501)</u>	<u>6,968,868</u>	<u>298,102</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in from other funds	-	-	-	1,216,958
Transfers out to other funds	-	(782,164)	(782,164)	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(782,164)</u>	<u>(782,164)</u>	<u>1,216,958</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on revenue bonds	(3,915,000)	-	(3,915,000)	-
Interest paid on revenue bonds	(1,501,994)	-	(1,501,994)	-
Bond issuance costs	(4,624)	-	(4,624)	-
Intergovernmental expense	(2,000,000)	-	(2,000,000)	-
Interest paid on certificates of participation	-	-	-	(24,066)
Acquisition and construction of capital assets	(915,995)	(104,788)	(1,020,783)	(2,106,716)
Proceeds from sale of capital assets	22,447	-	22,447	47,810
Net cash used by capital and related financing activities	<u>(8,315,166)</u>	<u>(104,788)</u>	<u>(8,419,954)</u>	<u>(2,082,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	172,020	77	172,097	52,956
Purchase of investments	-	-	-	2,482,372
Net cash provided by investing activities	<u>172,020</u>	<u>77</u>	<u>172,097</u>	<u>2,535,328</u>
Net increase (decrease) in cash and cash equivalents	(1,110,777)	(950,376)	(2,061,153)	1,967,416
Cash and cash equivalents at beginning of year	<u>18,034,027</u>	<u>1,126,176</u>	<u>19,160,203</u>	<u>2,620,081</u>
Cash and cash equivalents at end of year	<u>\$ 16,923,250</u>	<u>\$ 175,800</u>	<u>\$ 17,099,050</u>	<u>\$ 4,587,497</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, 2018

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Non-Major</u>		<u>Activities -</u>
	<u>System</u>	<u>Enterprise</u>	<u>Total</u>	<u>Internal</u>
		<u>Funds</u>		<u>Service Funds</u>
Reconciliation of Operating Income (Loss) to Net				
Cash Flows Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,393,830	\$ (457,199)	\$ 936,631	\$ (481,141)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	5,875,550	16,044	5,891,594	939,278
Decrease (increase) in assets:				
Accounts receivable	(73,964)	352,771	278,807	(653,169)
Inventory	6,571	-	6,571	-
Prepaid items	1,273	18	1,291	-
Pension related items	(15,292)	(1,293)	(16,585)	-
Increase (decrease) in liabilities:				
Accounts payable	(182,328)	(14,130)	(196,458)	(3,155)
Claims payable	-	-	-	496,289
Salaries and benefits payable	15,348	148	15,496	-
Compensated absences	22,626	848	23,474	-
Early termination benefits	(12,557)	-	(12,557)	-
Unearned revenue	8,900	-	8,900	-
Landfill closure & postclosure	-	39,380	39,380	-
OPEB related items	(7,588)	(88)	(7,676)	-
Total adjustments	5,638,539	393,698	6,032,237	779,243
Net cash provided (used) by operating activities	\$ 7,032,369	\$ (63,501)	\$ 6,968,868	\$ 298,102
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets	\$ 1,242,681	\$ -	\$ 1,242,681	\$ -

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

Fayette County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 4,944,414
Due from other governments	-
Taxes receivable	<u>2,713,115</u>
 Total assets	 <u><u>\$ 7,657,529</u></u>
 LIABILITIES	
Due to others	<u>\$ 7,657,529</u>
 Total liabilities	 <u><u>\$ 7,657,529</u></u>

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



NOTES TO THE FINANCIAL STATEMENTS

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

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 - E. Defined Contribution Plan
 - F. Contingent Liabilities
 - G. Joint Venture
 - H. Capital Contributions
 - I. Tax Abatements
 - J. Restatement of Beginning Balances

Fayette County, Georgia
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NOTE I. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

Discretely Presented Component Units. The Fayette County Development Authority is responsible for promoting industrial and commercial development within Fayette County. The Board of Commissioners appoints the members of the Development Authority’s governing board to staggered terms. The Development Authority is responsible for adopting its own annual budget and making its own operating decisions. However, Fayette County does provide substantial financial support each year and has contractually obligated itself to use its taxing power to guarantee the repayment of

Fayette County, Georgia
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principal and interest on certain industrial revenue bonds issued by the Development Authority. The Fayette County Development Authority is presented as a governmental fund type.

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

The County also provides this entity with free office space at the Fayette County Administrative Complex. Complete financial statements for each of the individual component units can be obtained at the entity's administrative office. Their addresses are shown below:

Fayette County Development Authority
200 Courthouse Square
Fayetteville, Georgia 30214

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

B. Government-Wide and Fund Financial Statements

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

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

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

Fayette County, Georgia
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include financial information for the agency funds. These funds represent assets held by the County in a custodial capacity for individuals or other governments.

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

The Government-Wide Financial Statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise taxes, licenses, and interest that are associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the State of Georgia Department of Revenue at year-end on behalf of the County are also recognized as revenue. Entitlements and shared revenues are recorded at the time of receipt or earlier if susceptible to accrual criteria. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the County and are recognized as revenue at that time.

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

Fayette County, Georgia
Notes to the Financial Statements
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reduction of *Liabilities* in the Government-Wide Financial Statements but as a *Debt Service Expenditure* in the Governmental Fund Financial Statements.

The Government reports the following Major Governmental Funds:

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

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

The *2017 SPLOST Capital Projects Fund* is used to account for a 1% Special Purpose Local Option Sales Tax (SPLOST) passed by voter referendum on March 21, 2017 for the purpose of transportation, stormwater infrastructure, public safety radio system, fire and emergency equipment and facility, as well as a historic restoration project in Woolsey.

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

The Government reports the following Major Proprietary Fund:

The *Water System Fund* accounts for the activities of the County's water system operations. The Water System provides potable water services to approximately 30,000 customers in the unincorporated County and in Peachtree City, Tyrone, Woolsey and Brooks.

Additionally, the government reports the following fund types:

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

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

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

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

Proprietary Funds distinguish *operating revenues* and *operating expenses* from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water System Enterprise Fund, the Solid Waste Enterprise Fund, the Stormwater Utility Enterprise Fund and the Internal Service Funds are charges to customers for sales and services. The Water System Enterprise Fund also recognizes as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the distribution system. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Overview of Accounting Structure and Fund Purposes

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

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

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

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Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The Water System, Solid Waste and Stormwater Utility Funds are examples of this type of fund and represent business-type activities. The Stormwater Utility Fund was closed during 2018.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. Fayette County's agency funds are:

Tax Commissioner:	To account for the billing, collection and remittance of taxes to the County, Board of Education and Municipal Governments.
Sheriff's Office:	To account for the collection and remittance of fines, costs, and bond forfeitures to the County.
Superior Court:	To account for the collection of charges for Superior Court costs, filings and settlements and the subsequent remittance to the applicable parties.
State Court:	To account for the collection of charges for State Court costs, filings and settlements and the subsequent remittance to the applicable parties.
Magistrate Court:	To account for the collection of charges for Magistrate Court costs, filings, and settlements and the subsequent remittance to the applicable parties.
Juvenile Court:	To account for the collections of Juvenile Court fines and settlements and subsequent remittance to the applicable parties.
Probate Court:	To account for the collections of Probate Court fines and settlements and the subsequent remittance to the applicable parties.
Griffin Judicial Circuit:	To account for the collections of fines and settlements and the subsequent remittance to the applicable parties.

E. Assets, Liabilities and Equity

1. Deposits and Investments

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

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

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

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

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

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances between Governmental Activities and the Business-Type Activities are reported on the Government-Wide Financial Statements as "Internal Balances".

Advances between funds, as reported in the Fund Financial Statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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

Property taxes were levied and billed on September 15, 2017. 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, 2017, 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 and the municipalities located within the County. 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, 2018, are shown as property taxes receivable at that date. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, are classified as "Unavailable Revenue" on the Governmental Fund Statements.

At year-end, the Water System had approximately \$846,000 in billed customer receivables. In addition, a receivable of approximately \$821,000 was recorded for services rendered at year-end but not yet billed at June 30, 2018. The receivable was computed using the cycle billings sent to customers in July and prorating the charges based on the days applicable to the current period. Accounts receivable is shown net of an allowance for uncollectibles of \$125,000.

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

Primary Government: In the Vehicle/Equipment Replacement Internal Service Fund which is included in the Governmental Activities on the Government-Wide Statements, the unused proceeds of the certificates of participation are classified as restricted assets on the Statement of Net Position

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because their use is limited pursuant to an agreement with the Georgia Municipal Association. These monies are to be used to pay off the outstanding obligation when it becomes due.

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

5. Capital Assets

Primary Government: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, distribution lines, and similar items), are reported in the applicable Governmental or Business-Type Activities column of the Government-Wide Financial Statements. Capital assets, other than infrastructure assets, are defined by the County as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are stated at acquisition value at the time of the donation and disposals are removed at recorded cost.

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

The cost of normal maintenance and repairs that do not add to the value of the asset or do not substantially extend assets’ lives are not capitalized.

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

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

<u>Asset Classification</u>	<u>Years</u>
Buildings and structures	40
Infrastructure	15 - 40
Improvements	10
Machinery and equipment	5 - 20
Vehicles	7 - 15

6. Deferred Outflows/Inflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. The types of items reported by the County that fall into this category are described more fully below.

In addition to assets, the Statement of Net Position will sometimes result in a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The County has one item that qualifies for reporting in this category. The deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance or net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one (1) item that qualifies for reporting in this category and it arises only under a modified accrual basis of accounting. Consequently, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The County also has deferred outflows of resources and deferred inflows of resources related to the recording of changes in its net pension liability (asset) and total OPEB liability. Certain changes in the net pension liability (asset) and total OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan

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members. Changes in actuarial assumptions which adjust the liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against expense over a five (5) year period. Additionally, any contributions made by the County to the plan before year end but subsequent to the measurement date of the County's liability are reported as deferred outflows of resources. These contributions will reduce the County's liability in the next fiscal period.

7. Compensated Absences

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

In addition, regular full-time employees hired before March 1, 1998, with three or more years of service who resign in good standing or retire from service with the County may elect to be paid at the rate of \$15 for each day of unused sick leave up to a maximum of \$900. For other employees, the balance is treated as credited service for the defined benefit pension plan.

Vacation, compensatory, holiday and termination sick leave pay are accrued when incurred in proprietary funds and reported as a fund liability. On the Government-Wide Statements, vacation, compensatory, holiday, and termination sick leave pay is accrued and reported as a liability for the Governmental Activities similar to Business-Type Activities. Vacation, compensatory, holiday, and termination sick leave pay that has matured and is reimbursable to an employee is reported as an expenditure and a fund liability of the Governmental Funds that are responsible for payment.

8. Long-Term Obligations

In the Government-Wide Financial Statements, and Proprietary Fund Types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-Type Activities, or Proprietary Fund Type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund Financial Statements, Governmental Fund Types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as an Other Financing Source. Premiums received on debt issuances are reported as an Other Financing

Fayette County, Georgia
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Source while discounts on debt issuances are reported as an Other Financing Use. Issuance costs, even if withheld from the actual debt proceeds received, are reported as Debt Service expenditures.

9. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of The Fayette County Defined Benefit Plan (the Plan) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Fund Equity: Fund Balance and Net Position

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

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

Fund Balances are classified as follows:

- **Nonspendable** – Fund Balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items, such as inventory or prepaid insurance, that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund Balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund Balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal vote (resolution) of the County Commission. Only the County Commission may modify or rescind the commitment.
- **Assigned** – Fund Balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted or committed. Again, the Board of Commissioners is solely responsible for assigning fund balance through formal actions that it takes.
- **Unassigned** – Fund Balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports a positive unassigned fund balance only in the General Fund. However, in all governmental funds, if expenditures for specific purposes

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exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in any governmental fund.

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

Net Position: As noted previously, equity for the Government-Wide and Proprietary Fund Financial Statements is classified as Net Position. Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment amount also is adjusted by any deferred bond premiums, discounts or refunding amounts. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

11. Use of Estimates

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

NOTE II. – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The County adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

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

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

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

Formal budget integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Individual budgets and actual statements are presented for

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these funds at the department level. To help ensure that each department keeps their spending during the year within its total approved appropriations amount, certain internal administrative controls are utilized. County department heads are authorized to approve budget transfers between the various line item expenditure accounts within their departments. All other transfers or supplemental appropriations, which change the total budget for a departmental cost center, must be approved by the Board of Commissioners.

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

1. Sinking Fund Requirements

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

During fiscal year ended June 30, 2018, \$5,384,821 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 by June 1, 2021. The debt reserve balance at June 30, 2018 is \$5,543,858, the sinking fund balances are \$3,340,465, for a debt service total of \$8,884,323, 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 of and interest on any revenue bonds then outstanding and falling due at any time for the payment of which money is not available in the Sinking Fund securing the payment of same and interest thereon;
- b. In case of an emergency having a major effect upon the System, or water and sewerage system if combined, caused by some extraordinary occurrence that makes it necessary to use

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the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;

- c. Making replacements, additions, extensions, and improvements to the system and acquiring equipment deemed to be reasonable and in the best interest of the County and the bond owners;
- d. Payment of the charges of the Depository of the renewal and extension fund for investment services; and
- e. The transfer of moneys, if any required, pursuant to the provisions of Section 18 of the bond resolution.

4. Rates and Fee Requirements

In accordance with the bond resolutions, the Water System's schedule of rates, fees, and charges for services shall be maintained at such a level so as to produce net revenues (after payment of reasonable and necessary cost of operating and maintaining the system) equal to at least 1.20 times the amount required to be paid in to the sinking fund in the current sinking fund year. This ratio is computed annually. For the year ended June 30, 2018, the County was in compliance with this requirement.

NOTE III. – DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

1. Demand Deposits at Financial Institutions

Custodial Credit Risk: Custodial credit risk for demand deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and our bond resolutions require all deposits and investments (other than federal or state government instruments) be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of June 30, 2018, the County had no uncollateralized deposits.

2. Investments

Credit Risk: Credit risk for investments is the risk that an issuer or other counterparty will not fulfill its obligations. State statutes authorize the County to invest in obligations of the State of Georgia or of other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government Agency; obligations of any corporation of the U.S. Government; repurchase agreements backed by the U.S. Government or a U.S. Government Agency; prime banker's acceptances that are eligible for purchase by the Federal Reserve bank and have a

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Letter of Credit rating of A+ or better; the Local Government Investment Pool (LGIP); obligations of Other Political Subdivisions of the State of Georgia.

The County's investment policy permits the investment of County funds in the Georgia Fund 1, United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), time deposits (certificates of deposit) and savings accounts of financial institutions that are qualified public depositories, and money market funds.

One measure of the perceived credit risk of an issuer is the credit rating. The County's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA money market funds, AAA rated agency notes, AAA rated Government Sponsored Enterprises, AAA Federal Deposit Insurance Corp backed notes and U.S. Treasuries.

As a means of reducing the risk associated with counterparties, the County utilizes the State Investment Pool for the majority of its short-term investment needs. Georgia Fund 1, which was created by the Official Code of Georgia Annotated ("OCGA") § 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAA rated money market funds. However, Georgia Fund 1 operates in a manner consistent with a Rule 20-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. Georgia Fund 1 is not registered with the Securities and Exchange Commission as an investment company. The Georgia Office of the State Treasurer is the regulatory oversight agency of Georgia Fund 1. Georgia Fund 1's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed on \$1.00 per share.

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

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To minimize this component of credit risk, the County's investment policy also provides asset allocation limits for each security type. Issuer limits are provided for each investment type with the exception of U.S. Treasuries which have a 100% permitted allocation. The following guidelines represent maximum limits established for diversification by instrument by the Fayette County Board of Commissioners:

• U.S. Treasury Obligations	100%
• U.S. Government Agency Securities and Securities Issued by Instrumentalities of Government Sponsored Corporations	50%
• Repurchase Agreement	25%
• Prime Banker's Acceptances	10%
• Local Government Investment Pool	100%
• Certificates of Deposit	50%
• Obligations of Other Political Subdivisions of the State of Georgia	25%

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

However as part of the County's investment program, a large percentage of the investment portfolio is held by the State of Georgia (i.e., Georgia Fund 1). In addition, the County's externally managed open market security investments are held with a third party custodian in accordance with Georgia Code. The County's investment holdings are designated as assets of the County in separate accounts in the County's name.

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

The County employs multiple investment duration and investment management strategies which seek to minimize the County's portfolio interest rate risk. As a means of limiting exposure to fair value losses arising from rising interest rates, the County's Policy limits the investment of operating funds to investments with a stated maturity of no more than 5 years from the date of purchase.

The County maintains liquidity in overnight investment vehicles for short term expenditures and remaining assets are invested in short term securities with maturity limitations and by security type for the entire portfolio. The investment program is designed to diversify and minimize changes in market price as interest rates change.

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The County utilizes an external investment manager to actively manage a portion of its investment portfolio. Performance is measured in total return against the 1 - 3 Year U.S. Treasury/Agency benchmark. The County utilizes two investment portfolios with the external manager, an enhanced cash portfolio with a duration of less than a year, and a core portfolio with a duration strategy between 1.5 and 2.0 years. This dual portfolio strategy is structured to manage interest rate volatility. All assets managed by the external manager are held in custody with the Bank of New York in the County's name. As of June 30, 2018, all assets within the externally managed portfolios are rated AAA or better.

Investment cash equivalents comprised \$37,951,419 at year end. These cash equivalents, which are shown in the table below, represented monies deposited into the State Investment Pool which is essentially a money market account with one day's liquidity. With the ability to quickly access these funds should the need arise, the County feels that it has sufficient flexibility to address interest rate risk should the rates suddenly rise since there would be no real exigency to sell any of the longer term investments prior to their actual maturities.

Cash Equivalents:	<u>FAIR VALUE</u>	<u>MATURITIES</u>
Georgia Fund 1 Investment Pool	<u>\$37,951,419</u>	10 Day Weighted Average

At June 30, 2018, the County had \$48,896,823 in investments that are not considered cash equivalents by the County because of their longer maturity dates and the fact that these monies are invested over the long-term for the County by an external money manager. The chart below presents the fair value for each security type and maturity distribution for the investments, other than the aforementioned money market position, totaling \$48,896,823 as of June 30, 2018.

Type of Investment	Rating	Investment Maturities (in Years)				Fair Value
		Less than 1	1-5 Years	6-10 Years	More than 10	
US Treasuries	AA+	\$ 1,719,135	\$ 20,131,000	\$ -	\$ -	\$ 21,850,135
US Treasuries	AAAm	3,706,491	-	-	-	3,706,491
U.S. Government Sponsored Entities and Agencies	A-1+	185,618	-	-	-	185,618
U.S. Government Sponsored Entities and Agencies	AA+	6,796,360	11,664,705	3,196,069	679,233	22,336,367
International Bonds	AA+	398,694	419,518	-	-	818,212
		<u>\$ 12,806,298</u>	<u>\$ 32,215,223</u>	<u>\$ 3,196,069</u>	<u>\$ 679,233</u>	<u>\$ 48,896,823</u>

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Fair Value Measurements: The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring financial measurements as of June 30, 2018:

Investment	Level 1	Level 2	Level 3	Fair Value
US Treasuries	\$ 25,556,626	\$ -	\$ -	\$ 25,556,626
Government Bonds	-	23,340,197	-	23,340,197
	<u>\$ 25,556,626</u>	<u>\$ 23,340,197</u>	<u>\$ -</u>	<u>\$ 48,896,823</u>

US Treasuries classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in Government Bonds classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

B. Receivables

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

	General	Fire Services	2017 SPLOST	County-Wide Roads SPLOST	Non-Major Governmental Funds	Water System	Non-Major Enterprise Funds	Internal Service Funds
Receivables:								
Property taxes	\$ 440,618	\$ 126,721	\$ -	\$ -	\$ 52,356	\$ -	\$ -	\$ -
Sales taxes	985,290	-	2,065,978	-	-	-	-	-
Interest	4,686	-	-	-	-	-	-	-
Intergovernmental	65,313	3,498	-	-	-	-	-	-
Other Receivables	1,174,672	29,859	1,753	80,874	1,166,995	1,667,666	8,215	696,184
Gross receivables	2,670,579	160,078	2,067,731	80,874	1,219,351	1,667,666	8,215	696,184
Less: Allowance for Uncollectibles	(111,159)	(33,553)	-	-	(99,441)	(125,000)	-	-
Net total receivables	<u>\$ 2,559,420</u>	<u>\$ 126,525</u>	<u>\$ 2,067,731</u>	<u>\$ 80,874</u>	<u>\$ 1,119,910</u>	<u>\$ 1,542,666</u>	<u>\$ 8,215</u>	<u>\$ 696,184</u>

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C. Capital Assets

Capital assets for the Primary Government for the fiscal year ended June 30, 2018, are shown in the following tabulations. The first table contains a breakdown of the capital assets utilized in the operations of governmental activities by general asset classification and the associated accumulated depreciation. The tabular information also shows the activity that occurred with each asset class during the 2018 fiscal year.

Governmental Activities	Beginning Balances (as restated)	Additions	Deductions	Transfers	Ending Balances
Capital assets, not being depreciated:					
Land	\$ 15,134,936	\$ -	\$ -	\$ -	\$ 15,134,936
Construction in progress	9,502,487	9,471,400	(2,415,715)	278,623	16,836,795
Total capital assets, not being depreciated	<u>24,637,423</u>	<u>9,471,400</u>	<u>(2,415,715)</u>	<u>278,623</u>	<u>31,971,731</u>
Capital assets being depreciated:					
Buildings and structures	81,172,314	761,794	-	-	81,934,108
Infrastructure	316,555,019	564,770	-	485,798	317,605,587
Improvements	10,680,033	432,014	(42,817)	6,985	11,076,215
Machinery and equipment	21,157,192	1,067,125	(534,582)	(27,829)	21,661,906
Vehicles	14,733,966	1,924,652	(401,559)	-	16,257,059
Total capital assets being depreciated	<u>444,298,524</u>	<u>4,750,355</u>	<u>(978,958)</u>	<u>464,954</u>	<u>448,534,875</u>
Less accumulated depreciation for:					
Buildings and structures	(34,239,495)	(2,506,770)	-	-	(36,746,265)
Infrastructure	(286,407,161)	(3,219,199)	-	(13,390)	(289,639,750)
Improvements	(5,581,410)	(396,820)	42,817	(146)	(5,935,559)
Machinery and equipment	(15,975,564)	(1,129,875)	503,667	27,829	(16,573,943)
Vehicles	(10,248,819)	(825,494)	388,538	-	(10,685,775)
Total accumulated depreciation	<u>(352,452,449)</u>	<u>(8,078,158)</u>	<u>935,022</u>	<u>14,293</u>	<u>(359,581,292)</u>
Total capital assets being depreciated, net	<u>91,846,075</u>	<u>(3,327,803)</u>	<u>(43,936)</u>	<u>479,247</u>	<u>88,953,583</u>
Governmental activities capital assets, net	<u>\$ 116,483,498</u>	<u>\$ 6,143,597</u>	<u>\$ (2,459,651)</u>	<u>\$ 757,870</u>	<u>\$ 120,925,314</u>

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

Business-Type Activities	Beginning Balances (as restated)	Additions	Deductions	Transfers	Ending Balances
Capital assets, not being depreciated:					
Land	\$ 20,623,552	\$ 95,336	\$ -	\$ -	\$ 20,718,888
Construction in progress	2,112,351	903,501	(1,153,454)	(278,623)	1,583,775
Total capital assets, not being depreciated	<u>22,735,903</u>	<u>998,837</u>	<u>(1,153,454)</u>	<u>(278,623)</u>	<u>22,302,663</u>
Capital assets being depreciated:					
Buildings and structures	64,963,811	27,244	-	-	64,991,055
Infrastructure	93,448,460	2,073,041	-	(492,783)	95,028,718
Improvements	17,373,094	-	-	-	17,373,094
Machinery and equipment	13,347,757	317,917	(127,966)	27,829	13,565,537
Total capital assets being depreciated	<u>189,133,122</u>	<u>2,418,202</u>	<u>(127,966)</u>	<u>(464,954)</u>	<u>190,958,404</u>
Less accumulated depreciation for:					
Buildings and structures	(32,483,618)	(2,317,772)	-	-	(34,801,390)
Infrastructure	(46,951,999)	(2,302,528)	-	13,536	(49,240,991)
Improvements	(11,060,532)	(730,147)	-	-	(11,790,679)
Machinery and equipment	(9,198,400)	(541,147)	95,340	(27,829)	(9,672,036)
Total accumulated depreciation	<u>(99,694,549)</u>	<u>(5,891,594)</u>	<u>95,340</u>	<u>(14,293)</u>	<u>(105,505,096)</u>
Total capital assets being depreciated, net	<u>89,438,573</u>	<u>(3,473,392)</u>	<u>(32,626)</u>	<u>(479,247)</u>	<u>85,453,308</u>
Governmental activities capital assets, net	<u>\$ 112,174,476</u>	<u>\$ (2,474,555)</u>	<u>\$ (1,186,080)</u>	<u>\$ (757,870)</u>	<u>\$ 107,755,971</u>

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

Governmental Activities:

General Government	\$ 923,457
Judicial System	964,669
Public Safety	1,991,985
Public Works	3,624,466
Health and Welfare	6,423
Culture and Recreation	539,005
Housing and Development	<u>28,153</u>

Total depreciation expense – Governmental Activities \$8,078,158

Business-Type Activities:

Water System	\$5,875,550
Solid Waste	<u>16,044</u>

Total depreciation expense – Business-Type Activities \$5,891,594

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The component units' capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning			Ending
Fayette County Development Authority	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 84,724	\$ 30,750	\$ (19,708)	\$ 95,766
Leasehold improvements	<u>260,133</u>	<u>-</u>	<u>-</u>	<u>260,133</u>
Total capital assets being depreciated	<u>344,857</u>	<u>30,750</u>	<u>(19,708)</u>	<u>355,899</u>
Less accumulated depreciation for:				
Furniture and equipment	(76,842)	(3,672)	19,708	(60,806)
Leasehold improvements	<u>(111,468)</u>	<u>(5,145)</u>	<u>-</u>	<u>(116,613)</u>
Total accumulated depreciation	<u>(188,310)</u>	<u>(8,817)</u>	<u>19,708</u>	<u>(177,419)</u>
Fayette County Development Authority -				
Capital assets, net	<u>\$ 156,547</u>	<u>\$ 21,933</u>	<u>\$ -</u>	<u>\$ 178,480</u>
 Fayette County Department of Public Health	 <u>Balances</u>	 <u>Increases</u>	 <u>Decreases</u>	 <u>Balances</u>
Capital assets being depreciated -				
Machinery and equipment	\$ 242,654	\$ -	\$ -	\$ 242,654
Less accumulated depreciation for -				
Machinery and equipment	<u>(200,879)</u>	<u>(14,151)</u>	<u>-</u>	<u>(215,030)</u>
Fayette County Development Authority -				
Capital assets, net	<u>\$ 41,775</u>	<u>\$ (14,151)</u>	<u>\$ -</u>	<u>\$ 27,624</u>

D. Interfund Receivables, Payables and Transfers

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues. There were no interfund receivables or payables at June 30, 2018 except for the advances below.

Advances between the funds represent long-term borrowings between two funds which will be repaid over more than one fiscal year. The advances as of June 30, 2018 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	2017 SPLOST	<u>\$ 3,663,956</u>

The General Fund has made advances to the 2018 SPLOST Fund to begin work on approved projects in advance of the sales tax proceeds being received. These advances will be repaid as sales tax collections are received over the next several years.

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Interfund transfers for the fiscal year ended June 30, 2018 are shown in the following table:

	Transfers In:					
	General Fund	Fire	2017 SPLOST	Non-Major Governmental Funds	Internal Service Funds	Total
Transfers Out:						
Capital Improvement Projects:						
General Fund	\$ -	\$ -	\$ -	\$ 443,255	\$ -	\$ 443,255
Fire Fund	-	-	-	2,084,422	-	2,084,422
Non-Major Governmental Funds	198,702	4,800	-	7,200	-	210,702
Non-Major Enterprise Funds	-	-	782,164	-	-	782,164
Vehicle Replacement:						
General Fund	-	-	-	-	725,000	725,000
Fire Fund	-	-	-	-	341,958	341,958
Non-Major Governmental Funds	-	-	-	-	150,000	150,000
Total	<u>\$ 198,702</u>	<u>\$ 4,800</u>	<u>\$ 782,164</u>	<u>\$ 2,534,877</u>	<u>\$ 1,216,958</u>	<u>\$ 4,737,501</u>

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

In addition, during 2018 the county closed the Stormwater Utility Enterprise Fund and transferred the remaining capital assets (\$492,783 net of accumulated depreciation of \$13,536) and construction in progress in the amount of \$278,623 to governmental activities. The \$757,870 was reflected as a loss on disposal of capital assets in the Stormwater Utility Enterprise Fund and a transfer in the Statement of Activities.

E. Closure and Postclosure Care Cost

The Fayette County Inert Waste Landfill receives earth-like products such as concrete, asphalt, yard trimmings and land clearing debris such as stumps, limbs and leaves. State and federal laws will require the County to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The County recognizes a prorated portion of the closure and post-closure costs each year even though actual payouts will not occur until the landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the balance sheet date. As of June 30, 2018, the County has determined that it has used approximately 8,412 cubic yards out of a total available capacity of approximately 152,271 cubic yards which approximates 5.5% capacity used. Further, estimated costs of closure and post closure care costs as determined at June

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30, 2018, amount to approximately \$716,000. Based on the above facts and estimated amounts, the County has recorded a liability of \$39,380. The estimated costs of closure and post-closure care are subject to changes such as the effects of inflation, revision of laws and other variables. The estimated remaining life of the landfill is approximately 56 years.

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. In 2015, the County opened an inert waste landfill. 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.

F. Long-Term Obligations

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

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

1. Water Revenue Bonds

The Water System (the "System") has pledged future water customer revenues, net of specified operating expenses, to repay \$39.4 million in revenue bonds. Proceeds from the outstanding bonds provided financing for various construction projects and the refunding of prior bonds. These bonds are payable solely from the System's customer net revenues and have varying maturity dates through 2030.

As a general rule, annual principal and interest payments on the bonds have been scheduled so that total debt service amount is fairly consistent from one year to the next. By design, the total annual debt service payment is in the range of \$5.2 million for the next several years. The total principal and interest remaining to be paid on the bonds is \$45,525,065. Principal and interest paid on outstanding

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bonds in the current year was \$5,416,994 and “net revenues” as defined by the bond ordinance were \$7,269,380.

a) Series 1996A Water Revenue Bonds

In January 1997, the County issued \$10,245,000 in Series 1996A Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$25,000 to \$920,000 with the longest maturity being twenty-four years (i.e., October 1, 2020) from the date of issuance. Interest rates for the various maturities ranged from 3.6% to 5.5%. After redeeming the \$35,000 in bonds that mature on October 1, 2018, there will remain a balance of \$70,000 outstanding on this series.

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

b) Series 2009 Water Revenue Bonds

In August 2009, the County issued \$36,340,000 in Series 2009 Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$85,000 to \$4,415,000 with the longest maturity being roughly twenty years (i.e., October 1, 2029) from the date of issuance. Interest rates for the various maturities ranged from 2.0% to 5.0%. During 2016, the County refunded \$14,855,000 with the issuance of the Series 2016 Water Revenue Refunding Bonds. After redeeming the \$1,790,000 in bonds that mature on October 1, 2018, there will remain a balance of \$5,805,000 outstanding on this series.

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

c) Series 2012A Water Revenue Bonds

In April 2012, the County issued \$8,070,000 in Series 2012A Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$100,000 to \$3,660,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2025) from the date of issuance. Interest rates for the various maturities ranged from 3.0% to 5.0%. After redeeming the \$50,000 in bonds that mature on October 1, 2018, there will remain a balance of \$7,870,000 outstanding on this series.

The Series 2012A Bonds were issued for the purpose of providing funding for the Crosstown Water Treatment Plant Upgrades, the South Fayette Water Treatment Plant Upgrades and the associated engineering and program management costs.

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d) Series 2012B Water Revenue Refunding Bonds

In July 2012, the County issued \$15,590,000 in Series 2012B Water Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranged from \$45,000 to \$2,015,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2025) from the date of issuance. Interest rates for the various maturities ranged from 3.0% to 5.0%. After redeeming the \$1,830,000 in bonds that mature on October 1, 2018, there will remain a balance of \$5,635,000 outstanding on this series.

The Series 2012B Bonds were issued for the purpose of refunding the Series 2002 Bonds.

e) Series 2016 Water Revenue Refunding Bonds

In May 2016, the County issued \$16,635,000 in Series 2016 Water Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranged from \$70,000 to \$4,615,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2029) from the date of issuance. Interest rates for the various maturities are 2.08%. The refunding resulted in an economic gain (difference between present values of the debt service payment on the old and new debt) of \$981,099 and a book loss of \$1,111,567 that will be amortized as an adjustment of interest expense over the remaining 12 years of the refunding bonds. After redeeming the \$245,000 in bonds that mature on October 1, 2018, there will remain a balance of \$16,080,000 outstanding on this series.

The Series 2016 Bonds were issued for the purpose of refunding a portion of the Series 2009 Bonds.

f) Schedule of Revenue Bond Activity

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2018:

<u>Revenue Bond Issues</u>	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Current Portion</u>
Series 1996A	\$ 135,000	\$ -	\$ (30,000)	\$ 105,000	\$ 35,000
Series 2009	9,450,000	-	(1,855,000)	7,595,000	1,790,000
Series 2012A	7,970,000	-	(50,000)	7,920,000	50,000
Series 2012B	9,205,000	-	(1,740,000)	7,465,000	1,830,000
Series 2016	16,565,000	-	(240,000)	16,325,000	245,000
Total revenue bonds	43,325,000	-	(3,915,000)	39,410,000	<u>\$ 3,950,000</u>
<u>Plus Deferred Amounts for:</u>					
Bond discounts /					
Premiums (net)	2,515,998	-	(255,355)	2,260,643	
Net revenue bonds	<u>\$ 45,840,998</u>	<u>\$ -</u>	<u>\$ (4,170,355)</u>	<u>\$ 41,670,643</u>	

Fayette County, Georgia
Notes to the Financial Statements
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g) Schedule of Future Debt Service Payments

At June 30, 2018, 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
2019	\$ 3,950,000	\$ 1,340,975	\$ 5,290,975
2020	4,210,000	1,158,452	5,368,452
2021	4,195,000	972,441	5,167,441
2022	4,620,000	797,893	5,417,893
2023	4,710,000	658,298	5,368,298
2024-2028	15,345,000	1,138,024	16,483,024
2029-2030	2,380,000	48,983	2,428,983
	<u>\$ 39,410,000</u>	<u>\$ 6,115,065</u>	<u>\$ 45,525,065</u>

2. Public Facilities Authority Revenue Bonds

In June 2000, the Fayette County Public Facilities Authority (a blended component unit) issued \$55,250,000 of Series 2000 Revenue Bonds with an average interest rate of 5.87% to construct a new Criminal Justice Center. Concurrently, the County signed a contractual agreement with the Public Facilities Authority to lease purchase the Criminal Justice Center with the annual lease payments being equal to the amount of the annual debt service payments on the bonds. In September 2001, the Fayette County Public Facilities Authority issued \$50,435,000 of Series 2001 Refunding Revenue Bonds with an average interest rate of 3.82% to partially advance refund \$45,570,000 of the Series 2000 bonds.

a) Series 2011 Public Facilities Authority Revenue Bonds

In April 2011, the Fayette County Public Facilities Authority issued \$40,300,000 of Series 2011 Refunding Revenue Bonds with an average interest rate of 3.88%. This along with \$8 million in cash refunded the \$47,995,000 Series 2001 bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2001 bonds. The refunding of the Series 2001 bonds reduced the total debt service payments by almost \$6.8 million and resulted in an economic gain of more than \$3.3 million.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

b) Schedule of Revenue Bond Activity

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2018:

	Balance			Balance	Current
Revenue Bond Issues	June 30, 2017	Additions	Reductions	June 30, 2018	Portion
Series 2011	\$ 31,640,000	\$ -	\$ (1,890,000)	\$ 29,750,000	\$ 1,950,000
Plus Deferred Amounts for:					
Bond discounts /					
premiums (net)	1,032,657	-	(79,449)	953,208	-
Net revenue bonds	<u>\$ 32,672,657</u>	<u>\$ -</u>	<u>\$ (1,969,449)</u>	<u>\$ 30,703,208</u>	<u>\$ 1,950,000</u>

c) Schedule of Future Debt Service Payments

At June 30, 2018, the County was obligated to make payments of principal and interest on the outstanding Series 2011 Fayette County Public Facilities Authority revenue bond debt as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 1,950,000	\$ 1,312,006	\$ 3,262,006
2020	2,025,000	1,234,006	3,259,006
2021	2,105,000	1,153,006	3,258,006
2022	2,190,000	1,068,806	3,258,806
2023	2,300,000	959,306	3,259,306
2024-2028	13,095,000	3,204,162	16,299,162
2029-2030	6,085,000	437,001	6,522,001
	<u>\$ 29,750,000</u>	<u>\$ 9,368,293</u>	<u>\$ 39,118,293</u>

Certificates of Participation: In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association ("the Association" or "GMA"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's original participation totaling \$5,000,000. However, the original level of participation has decreased in recent years to only \$601,000 at June 30, 2018.

The lease pool agreement with the Association provides that the County owns its portion of the assets invested by the pool and is responsible for the payment of its portion of principal and interest of the Certificates of Participation. The remaining principal balance of \$601,000 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 \$28,548. The County may draw from the investment to lease equipment from the Association. The

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lease pool agreement requires the County to make payments back into its investment account to fund the interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is required to pay (1) a monthly floating rate of interest based on the TBMA Municipal Swap Index (plus a spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the Contract times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

The semi-annual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Under the Swap Agreement, the County's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the TBMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028. In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize the risk, the County executed this agreement with counterparties of appropriate credit strength. All participants in the lease pool are required to participate in the interest swap agreement and the Swap Counterparty computes the fair value of the Swap Agreement on the aggregate basis only.

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

As an incentive to retire early, these employees receive health coverage until age 65, are credited with an additional five years of service and were given an unreduced retirement benefit due to their age. The net present value of the estimated future health coverage benefit is \$146,584 with \$51,286 due in the 2019 fiscal year. As determined by the defined benefit plan's actuary, the estimated additional pension liability associated with the early termination program was \$2,880,000. In keeping with the Board's Resolution for the program dated March 22, 2012 and its commitment to not adversely impact future operating budgets, this amount was deposited by the County into the Defined Benefit Pension Plan on October 26, 2012.

Fayette County, Georgia
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Changes in Long-Term Obligations:

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

	Balance June 30, 2017 (As Restated)	Additions	Reduction	Balance June 30, 2018	Current Portion
Governmental Activities					
Revenue bonds	\$ 31,640,000	\$ -	\$ (1,890,000)	\$ 29,750,000	\$ 1,950,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	1,032,657	-	(79,449)	953,208	-
Total revenue bonds payable	32,672,657	-	(1,969,449)	30,703,208	1,950,000
Certificates of participation	601,000	-	-	601,000	-
Compensated absences	2,729,234	1,749,314	(1,703,221)	2,775,327	602,445
Early termination benefits	236,382	-	(89,798)	146,584	51,286
Other postemployment benefits (OPEB) liability	746,898	-	(72,563)	674,335	-
Governmental Activities noncurrent liabilities	<u>\$ 36,986,171</u>	<u>\$ 1,749,314</u>	<u>\$ (3,835,031)</u>	<u>\$ 34,900,454</u>	<u>\$ 2,603,731</u>
	Balance June 30, 2017 (As Restated)	Additions	Reduction	Balance June 30, 2018	Current Portion
Business-Type Activities					
Revenue bonds	\$ 43,325,000	\$ -	\$ (3,915,000)	\$ 39,410,000	\$ 3,950,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	2,515,998	-	(255,355)	2,260,643	-
Total revenue bonds payable	45,840,998	-	(4,170,355)	41,670,643	3,950,000
Compensated absences	191,641	117,538	(289,218)	215,115	48,250
Early termination benefits	12,557	-	(12,557)	-	-
Landfill closure & postclosure	-	39,380	-	39,380	-
Other postemployment benefits (OPEB) liability	79,010	-	(7,676)	71,334	-
Business-Type Activities noncurrent liabilities	<u>\$ 46,124,206</u>	<u>\$ 156,918</u>	<u>\$ (4,479,806)</u>	<u>\$ 41,996,472</u>	<u>\$ 3,998,250</u>

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

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Changes in the Fayette County Department of Public Health's noncurrent liabilities for the year ended June 30, 2018 are as follow:

	Balance June 30, 2017 (As Restated)	Additions	Reduction	Balance June 30, 2018	Current Portion
Compensated absences	\$ 110,679	\$ 34,150	\$ (51,622)	\$ 93,207	\$ 28,842
Net pension liability	1,062,831	-	(219,495)	843,336	-
Net OPEB liability	960,437	-	(277,539)	682,898	
Total noncurrent liabilities	<u>\$ 2,133,947</u>	<u>\$ 34,150</u>	<u>\$ (548,656)</u>	<u>\$ 1,619,441</u>	<u>\$ 28,842</u>

G. Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2018 are as follows:

	Governmental Activities	Business-Type Activities	Total
Cost of capital assets	\$ 480,506,606	\$ 213,261,067	\$ 693,767,673
Less accumulated depreciation	<u>(359,581,292)</u>	<u>(105,505,096)</u>	<u>(465,086,388)</u>
Book value	120,925,314	107,755,971	228,681,285
Deferred charges on bond refunding	2,132,940	1,484,514	3,617,454
Less capital related debt	<u>(30,351,000)</u>	<u>(39,410,000)</u>	<u>(69,761,000)</u>
Less unamortized bond premiums	<u>(953,208)</u>	<u>(2,260,643)</u>	<u>(3,213,851)</u>
Net investment in capital assets	<u>\$ 91,754,046</u>	<u>\$ 67,569,842</u>	<u>\$ 159,323,888</u>

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Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

H. Fund Balance Classifications

The County's governmental funds show the following fund equity accounts at June 30, 2018:

Fund Balances	General Fund	Fire Services Fund	2017 SPLOST	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 137,535	\$ -	\$ -	\$ -	\$ -	\$ 137,535
Advances	3,663,956	-	-	-	-	3,663,956
Restricted:						
Animal control	-	-	-	-	975	975
Capital projects	258,389	-	10,463,626	28,529,648	98,264	39,349,927
E-911 communications	-	-	-	-	3,817,556	3,817,556
Court services	74,258	-	-	-	1,199,972	1,274,230
Law Enforcement	-	-	-	-	890,335	890,335
Fire services	-	4,090,117	-	-	-	4,090,117
Emergency medical services	-	-	-	-	1,757,099	1,757,099
Street Lights	-	-	-	-	320,231	320,231
Committed:						
Capital projects	-	-	-	-	7,486,665	7,486,665
Stabilization fund	12,849,272	-	-	-	-	12,849,272
Assigned:						
Emergencies	2,000,000	-	-	-	-	2,000,000
Capital projects	6,358,858	-	-	-	-	6,358,858
Other purposes	62,921	-	-	-	-	62,921
Unassigned	4,014,314	-	-	-	-	4,014,314
	<u>\$ 29,419,503</u>	<u>\$ 4,090,117</u>	<u>\$ 10,463,626</u>	<u>\$ 28,529,648</u>	<u>\$ 15,571,097</u>	<u>\$ 88,073,991</u>

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

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

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NOTE IV. – OTHER INFORMATION

A. Risk Management

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

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

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

The County initiated its Vision reimbursement plan in the 1997 fiscal year. Employees are reimbursed up to \$300 per year per covered individual for out of pocket expenses associated with vision care. Claims are handled by a third party administrator as of June 1, 2005.

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

All funds of the County participate in these programs and make payments to these Internal Service Funds based on actuarial estimates of the amounts needed to pay prior and current year claims, claim reserves, and administrative costs of the programs. The total claims liability of \$886,052 reported at June 30, 2018, 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.

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

	Unpaid Claims At Beginning Of Fiscal Year	Incurred Claims (Including Any IBNRs)	Claim Payments	Unpaid Claims At End Of Fiscal Year
Workers Compensation Claims:				
Fiscal Year Ended June 30, 2018	\$ 17,102	\$ 912,711	\$ (893,409)	\$ 36,404
Fiscal Year Ended June 30, 2017	181,055	711,774	(875,727)	17,102
Dental and Vision Claims				
Fiscal Year Ended June 30, 2018	6,966	526,942	(529,290)	4,618
Fiscal Year Ended June 30, 2017	3,642	556,986	(553,662)	6,966
Major Medical Claims				
Fiscal Year Ended June 30, 2018	365,695	7,941,427	(7,462,092)	845,030
Fiscal Year Ended June 30, 2017	397,054	7,172,363	(7,203,722)	365,695
Total Claims				
Fiscal Year Ended June 30, 2018	389,763	9,381,080	(8,884,791)	886,052
Fiscal Year Ended June 30, 2017	581,751	8,441,123	(8,633,111)	389,763

B. Encumbrances

The County employs encumbrance accounting for transactions during the fiscal year. Encumbrances are commitments related to unfilled contracts for goods and services including purchase orders. In accordance with the County's financial policies which have been adopted by Board resolution, appropriations lapse at year-end. Any open encumbrances are recorded and those financial commitments are honored in the subsequent fiscal year. The ensuing year's appropriations budget is adjusted by the amount of outstanding encumbrances. Encumbrances outstanding at year end are as follows:

	General Fund	Fire Services	2017 SPLOST Fund	Non-major Governmental Funds	Total
Total Encumbrances	<u>\$ 62,921</u>	<u>\$ 4,336</u>	<u>\$ 12,326</u>	<u>\$ 34,815</u>	<u>\$ 114,398</u>

C. Other Post-Employment Benefits (OPEB)

Plan Description. The County provides funding for certain healthcare-related benefits for retired early-out employees under a single-employer defined benefit OPEB plan. The County allows future retirees who have reached the age of 55 and have been employed with the County for 20 consecutive years to participate in the County's plan until the age at which they are eligible for Medicare. Such retirees must pay the full cost of the plan, and no spouses or dependents are allowed coverage on such plan. The

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County has the authority to establish and amend the plan provisions. Separate financial statements are not prepared for the OPEB plan.

Benefits provided. Continued healthcare benefits in the form of single coverage will be paid fully by the County. 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. For future employees meeting the criteria of age 55 and have been employed by the County for 20 consecutive years have the option to stay on the County's plans, at the retiree's cost, until the attainment of the age at which they become eligible for Medicare.

Employees Covered by Benefit Terms – At June 30, 2018 (the census date), the following employees were covered by the benefit terms:

Active employees	639
Inactive employees, spouses, or beneficiaries currently receiving benefit payment	10
Inactive employees entitled to but not yet receiving benefit payment	-
Total	649

Total OPEB Liability

The County's total OPEB liability of \$745,669 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.50%
Payroll Growth Rate	3.25%, average, including inflation
Discount Rate	3.50%
Participation	20% of actives are assumed to purchase a County plan after retirement
Healthcare cost trend rates	7.5% in the first year, trending down to 6.3% over four years (medical)

Mortality rates were based on the RPH-2014 mortality table (headcount weighted), total dataset, fully generational with mortality improvement scale MP-2017.

Discount Rate. The discount rate used to measure the total OPEB liability is 3.50%. The County's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

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Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	<u>\$ 825,908</u>
Changes for the year:	
Service cost	28,587
Interest	27,521
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments, Including Refunds of Employee Contributions	(69,692)
Implicit rate subsidy fulfilled	<u>(66,655)</u>
Net changes	<u>(80,239)</u>
Balance at June 30, 2018	<u><u>\$ 745,669</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage point higher (4.5 percent) than the current discount rate:

	<u>1% Decrease (2.5%)</u>	<u>Discount Rate (3.5%)</u>	<u>1% Increase (4.5%)</u>
Total OPEB liability	\$ 818,080	\$ 745,669	\$ 685,986

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Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 5.3%)	Trend Rate (7.5% Decreasing to 6.3%)	1% Increase (8.5% Decreasing to 7.3%)
Total OPEB liability	\$ 690,083	\$ 745,669	\$ 811,594

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$56,108. At June 30, 2018, the County reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

D. Employees' Pension Plans

Fayette County Defined Benefit Plan

The County, as authorized by the County Commission, has established a defined benefit pension plan, The Fayette County Defined Benefit Plan (the Plan). Employees are eligible for the plan if they are at least 18 years old and work a minimum of 30 hours per week. Participation in the defined benefit plan begins upon employment. Participants are vested after 5 years. Employees hired after December 31, 2013 have the choice of participating in the Plan or in the Defined Contribution Plan. The Plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries.

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

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

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

The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the 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. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership – As of January 1, 2017, the date of the most recent actuarial valuation, the Plan's membership consisted of the following:

Membership	
Retirees, beneficiaries and disabled receiving benefits	87
Terminated plan participants entitled to but not yet receiving benefits	122
Active employees participating in the plan	509
	<hr/>
Total	718
	<hr/>

Contributions – The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The actuarial recommended contribution rate for 2017 was 2.0% of payroll. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. County contributions to the Plan were \$329,454 for the year ended December 31, 2017 and Employee contributions to the Plan were \$633,566.

Net Pension Liability – The County's net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2017

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

The total pension liability in the January 1, 2017 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	2.0% - 4.5% based on age
Investment rate of return	7.25 percent

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

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of a February 2014 actuarial experience study.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33%) and 30-year benchmarks (33%), as well as forward-looking capital market assumptions for a moderate asset allocation (34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30%	6.10%
Large cap equity	30%	9.07%
International equity	15%	5.01%
Other equity	20%	8.62%
Real estate	5%	10.62%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

Changes in the Net Pension Liability (Asset) of the County – The Changes in the components of the net pension liability (asset) of the County for the year ended June 30, 2018, were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2017	<u>\$ 43,530,617</u>	<u>\$ 43,656,092</u>	<u>\$ (125,475)</u>
Changes for the year:			
Service cost	839,177	-	839,177
Interest	3,155,970	-	3,155,970
Differences between expected and actual experience	624,490	-	624,490
Assumption Change	94,874	-	94,874
Contributions - County	-	329,454	(329,454)
Contributions - Employees	-	633,566	(633,566)
Net investment income	-	7,009,364	(7,009,364)
Benefit Payments	(1,828,243)	(1,343,302)	(484,941)
Employee Contribution Refunds	-	(420,986)	420,986
Administrative expense	-	(105,683)	105,683
Other	-	(271,560)	271,560
Net changes	<u>2,886,268</u>	<u>5,830,853</u>	<u>(2,944,585)</u>
Balances at June 30, 2018	<u>\$ 46,416,885</u>	<u>\$ 49,486,945</u>	<u>\$ (3,070,060)</u>

The required schedule of changes in the County's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to total pension liability.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

Sensitivity of the County's Proportional Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
County's Net Pension Liability (Asset)	<u>\$ 1,918,414</u>	<u>\$ (3,070,060)</u>	<u>\$ (7,276,126)</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future , and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2017 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended June 30, 2018, the County recognized pension expense (benefit) of \$899,526. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,393,626	\$ 462,368
Changes of assumptions	3,049,125	-
Net difference between projected and actual earnings on pension plan investments	1,345,507	2,924,475
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	160,929	-
	<u>\$ 5,949,187</u>	<u>\$ 3,386,843</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

The County's contributions subsequent to the measurement date of \$160,929 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:

2018	\$	578,427
2019		578,427
2020		(13,640)
2021		(67,430)
2022		663,688
Thereafter		661,943

Other Defined Benefit Plans

Certain employees, elected officials, and appointed officials are eligible for participation in various multi employer cost-sharing defined benefit plans. The County does not make contributions to the plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information may be obtained from the individual plans, as listed below:

Georgia Firefighters Pension Plan
Georgia Judicial Retirement System
Employees' Retirement System of Georgia
Peace Officers' Annuity and Benefit Fund of Georgia
Sheriff's Retirement System of Georgia
Judges of the Probate Courts Retirement Fund of Georgia
Magistrates' Retirement Fund of Georgia
Superior Court Clerks' Retirement Fund of Georgia

E. Defined Contribution Plan

In conjunction with the defined benefit plan, the County offers a defined contribution plan administered by Mass Mutual. The 401(a) pension plan is a defined contribution plan that covers substantially all full time County employees. Under the current provisions, the County will match contributions made by an employee to the deferred compensation plan on a 1-for-2 basis up to a maximum contribution by the County of 2.5%. Contributions are calculated and made on a biweekly payroll basis. During the fiscal year, employees contributed \$1,612,459 to the defined contribution plan and the County contributed \$605,827 in matching funds. The Board of Commissioners establishes matching percentages.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

F. Contingent Liabilities

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

G. Joint Venture

The County, in conjunction with cities and counties in the ten-county Atlanta Region are members of the Atlanta Regional Commission (a regional commission (RC)). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RC's as "public agencies" and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources (O.C.G.A. 50-8-39.1). Separately issued financial statements are available at the ARC's administrative office, 229 Peachtree Street #100, Atlanta, Georgia 30303.

H. Capital Contributions

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

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

I. Tax Abatements

Pursuant to Governmental Accounting Standards Board (GASB) Statement 77, Tax Abatements, the County is required to disclose certain information about tax abatements as defined in the Statement. For the purposes of GASB Statement No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. The following is a description of the County's abatement program where the County has promised to forgo taxes.

The Fayette County Board of Commissioners authorizes industries which promote the development of trade, commerce, industry and employment opportunities in the County to participate in the Economic Development Program. Abatements of real and personal property taxes are provided to companies based on a criteria calculation which includes targeted industry, capital investment and employment. The abatement may reduce the amount of property taxes paid over ten or twenty years. The agreements may contain clawback provisions which would result in the re-payment of the annual tax abatement for each year the Company fails to meet its jobs/investment commitment. For the fiscal year ended June 30, 2018, the County abated property taxes totaling \$268,239.

J. Restatement of Beginning Balances

The County has determined that a restatement of the beginning Governmental Activities net position is required to adjust the beginning balance of Construction in Progress (CIP) due to certain capital Projects that were included in CIP in error. In addition, beginning net position requires an adjustment due to the implementation of GASB No. 75 *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* through which accounting for OPEB plans and the related disclosure requirements were modified. These adjustments resulted in a change to the beginning net position for Governmental Activities as follows:

Net position, as previously reported	\$ 174,649,824
Adjustment to beginning construction in progress	(1,240,942)
Previously reported net OPEB obligation	758,555
Recognition of total OPEB liability in accordance with GASB No. 75	(746,898)
	<u>\$ 173,420,539</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2018

The County has determined that a restatement of the beginning net position of the Business-Type Activities is required to adjust the beginning balance of Construction in Progress (CIP) in the Stormwater Utility Enterprise Fund due to a capital project that was included in CIP in error. In addition, beginning net position requires an adjustment due to the implementation of GASB No. 75 *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* through which accounting for OPEB plans and the related disclosure requirements were modified. These adjustments resulted in a change to the beginning net position for Business-Type Activities and the Water System, Stormwater Utility and Solid Waste Funds are as follows:

	Business-type Activities		
Net Position, as previously reported	\$	87,853,210	
Adjustment to beginning construction in progress		(28,775)	
Recognition of total OPEB liability in accordance with GASB No. 75		(79,010)	
	\$	87,745,425	

	Water System Fund	Solid Waste Fund	Stormwater Utility Fund
Net Position, as previously reported	\$ 85,490,578	\$ 508,730	\$ 1,853,902
Adjustment to beginning construction in progress	-	-	(28,775)
Recognition of total OPEB liability in accordance with GASB No. 75	(78,101)	(909)	-
	\$ 85,412,477	\$ 507,821	\$ 1,825,127

The effect of implementing GASB Statement No. 75 to previously reported changes in net position has not been determined.

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REQUIRED SUPPLEMENTARY INFORMATION

Fayette County, Georgia
Required Supplementary Information
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Taxes	\$ 42,323,662	\$ 42,323,662	\$ 42,452,481	\$ 128,819
Licenses and permits	984,500	984,500	975,036	(9,464)
Intergovernmental	2,089,221	1,582,725	1,554,873	(27,852)
Charges for services	3,180,880	3,188,295	3,317,113	128,818
Fines and forfeitures	1,624,000	1,624,000	1,682,488	58,488
Investment earnings	300,000	300,000	216,670	(83,330)
Contributions and donations	15,000	15,500	17,083	1,583
Miscellaneous revenues	110,400	110,400	191,569	81,169
Total revenues	<u>50,627,663</u>	<u>50,129,082</u>	<u>50,407,313</u>	<u>278,231</u>
EXPENDITURES:				
Current:				
General government:				
Commissioners	540,850	549,822	458,553	91,269
Administration	326,257	356,986	354,963	2,023
Elections	614,513	634,652	514,881	119,771
Finance	1,192,287	1,210,340	1,168,768	41,572
Purchasing	210,772	214,363	201,476	12,887
Law department	236,600	236,600	227,982	8,618
Information systems	1,080,492	1,102,897	934,623	168,274
Human resources	445,901	482,400	469,212	13,188
Tax commissioner	1,090,838	1,106,345	1,060,010	46,335
Tax assessor	1,117,192	1,133,293	1,048,568	84,725
Buildings & grounds maintenance	1,527,435	1,549,969	1,541,251	8,718
Engineering office	283,894	288,620	283,658	4,962
Non-departmental/contingency	889,317	337,500	328,352	9,148
Total general government	<u>9,556,348</u>	<u>9,203,787</u>	<u>8,592,297</u>	<u>611,490</u>
Judicial system:				
Judges, court reporter	474,291	500,724	498,017	2,707
Clerk of superior court	1,400,666	1,487,005	1,429,823	57,182
District attorney	343,613	348,669	315,491	33,178
Clerk of state court	306,808	322,240	322,178	62
State court solicitor	706,196	718,442	697,236	21,206
State court judge	400,532	406,935	401,988	4,947
Magistrate court	487,365	494,209	488,048	6,161
Probate court	408,851	415,915	409,827	6,088
Juvenile court	373,166	377,163	339,170	37,993
Public defender	486,973	486,973	486,973	-
Non-departmental	203,308	203,308	171,470	31,838
Total judicial system	<u>5,591,769</u>	<u>5,761,583</u>	<u>5,560,221</u>	<u>201,362</u>

Continued on next page

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

Fayette County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Public safety:				
Sheriff's office	17,952,617	18,543,596	18,504,774	38,822
County coroner	123,085	132,448	132,294	154
Animal control	430,022	436,253	430,682	5,571
Emergency management	307,406	308,378	303,883	4,495
Non-departmental	938,835	962,489	953,746	8,743
Total public safety	<u>19,751,965</u>	<u>20,383,164</u>	<u>20,325,379</u>	<u>57,785</u>
Public works:				
Public works administration	153,406	155,004	146,639	8,365
Road department	5,075,485	5,468,349	5,240,223	228,126
Stormwater management	526,017	488,223	473,414	14,809
Fleet maintenance	622,337	632,715	536,449	96,266
Total public works	<u>6,377,245</u>	<u>6,744,291</u>	<u>6,396,725</u>	<u>347,566</u>
Health and welfare:				
Physical health	282,824	284,122	283,945	177
Fayette counseling center	131,777	131,777	131,777	-
Family and children services	39,325	39,325	39,325	-
Fayette community options	64,070	64,070	64,070	-
Fayette family connection	48,500	55,500	55,500	-
Senior citizens center	260,630	260,630	249,481	11,149
Youth protection	19,743	19,743	19,743	-
Total health and welfare	<u>846,869</u>	<u>855,167</u>	<u>843,841</u>	<u>11,326</u>
Culture and recreation:				
Recreation	1,231,315	1,243,492	1,193,148	50,344
Library	1,051,468	1,073,113	1,026,414	46,699
Total culture and recreation	<u>2,282,783</u>	<u>2,316,605</u>	<u>2,219,562</u>	<u>97,043</u>
Housing and development:				
County extension	140,120	140,786	119,102	21,684
Georgia forestry commission	3,336	3,336	3,336	-
Permits and inspections	737,973	692,766	605,431	87,335
Planning and zoning	435,909	418,255	374,029	44,226
Development authority	239,196	239,196	238,214	982
Total housing and development	<u>1,556,534</u>	<u>1,494,339</u>	<u>1,340,112</u>	<u>154,227</u>

Continued on Next Page

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

Fayette County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Debt service:				
Principal retirement	1,890,000	1,890,000	1,890,000	-
Interest and fiscal charges	1,370,117	1,370,117	1,370,006	111
Total debt service	<u>3,260,117</u>	<u>3,260,117</u>	<u>3,260,006</u>	<u>111</u>
Total expenditures	<u>49,223,630</u>	<u>50,019,053</u>	<u>48,538,143</u>	<u>1,480,910</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,404,033</u>	<u>110,029</u>	<u>1,869,170</u>	<u>1,759,141</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	198,702	198,702	-
Transfers out	(1,078,915)	(1,168,255)	(1,168,255)	-
Sale of capital assets	5,000	5,000	8,583	3,583
Total other financing sources (uses)	<u>(1,073,915)</u>	<u>(964,553)</u>	<u>(960,970)</u>	<u>3,583</u>
Net change in fund balance	<u>\$ 330,118</u>	<u>\$ (854,524)</u>	908,200	<u>\$ 1,762,724</u>
Fund balance, beginning of year			<u>28,511,303</u>	
Fund balance, end of year			<u>\$ 29,419,503</u>	

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

Fayette County, Georgia
Required Supplementary Information
Fire Services Tax District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 7,408,000	\$ 7,408,000	\$ 7,819,538	\$ 411,538
Other	2,866,000	2,866,000	2,915,469	49,469
Intergovernmental	-	70,000	-	(70,000)
Charges for services	234,500	239,300	187,722	(51,578)
Investment earnings	20,000	20,000	37,941	17,941
Miscellaneous revenues	61,600	61,600	73,478	11,878
Total revenues	10,590,100	10,664,900	11,034,148	369,248
EXPENDITURES:				
Current -				
Public Safety -				
Fire services	8,751,460	8,981,060	8,967,220	13,840
Total expenditures	8,751,460	8,981,060	8,967,220	13,840
Excess of revenues over expenditures	1,838,640	1,683,840	2,066,928	383,088
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,800	4,800	-
Transfers out	(2,384,422)	(2,426,380)	(2,426,380)	-
Total other financing sources (uses)	(2,384,422)	(2,421,580)	(2,421,580)	-
Net change in fund balance	\$ (545,782)	\$ (737,740)	(354,652)	\$ 383,088
Fund balance, beginning of year			4,444,769	
Fund balance, end of year			\$ 4,090,117	

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

Fayette County, Georgia
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios
For the Year Ended June 30

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 839,177	\$ 871,824	\$ 868,884	\$ 921,991
Interest	3,155,970	2,964,403	2,508,554	2,386,445
Changes of benefit terms	--	--	--	--
Differences between expected and actual experience	624,490	(606,858)	1,295,636	--
Changes of assumptions	94,874	1,485,913	2,754,753	--
Benefit payments	(1,828,243)	(1,420,095)	(1,279,559)	(1,040,539)
Net change in total pension liability	2,886,268	3,295,187	6,148,268	2,267,897
Total pension liability-beginning	43,530,617	40,235,430	34,087,162	31,819,265
Total pension liability-ending (a)	\$ 46,416,885	\$ 43,530,617	\$ 40,235,430	\$ 34,087,162
Plan fiduciary net position				
Contributions-employer	\$ 329,454	\$ 337,608	\$ 350,141	\$ 183,425
Contributions-employee	633,566	649,252	673,346	2,530,040
Net investment income	7,009,364	3,025,678	341,826	2,872,411
Benefit payments	(1,343,302)	(1,420,095)	(1,140,530)	(1,002,929)
Employee contribution refunds	(420,986)	--	(139,029)	(214,263)
Administrative expense	(105,683)	(109,805)	(112,787)	(114,168)
Other	(271,560)	(211,152)	(195,463)	(197,640)
Net change in plan fiduciary net position	5,830,853	2,271,486	(222,496)	4,056,876
Plan fiduciary net position-beginning	43,656,092	41,384,606	41,607,102	37,550,226
Plan fiduciary net position-ending (b)	\$ 49,486,945	\$ 43,656,092	\$ 41,384,606	\$ 41,607,102
County's net pension liability (assets) - ending (a) - (b)	\$ (3,070,060)	\$ (125,475)	\$ (1,149,176)	\$ (7,519,940)
Plan fiduciary net position as a percentage of the total pension liability (asset)	106.61%	100.29%	102.86%	122.06%
Covered payroll	\$ 25,875,481	\$ 25,785,049	\$ 26,898,226	\$ 29,389,328
County's net pension liability (asset) as a percentage of covered payroll	-11.86%	-0.49%	-4.27%	-25.59%

Notes to the Schedule:

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

Fayette County, Georgia
Required Supplementary Information
Schedule of County Contributions
For the Year Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 516,742	\$ 341,514	\$ 20,994	\$ 170,313
Contributions in relation to the actuarially determined contribution	<u>325,419</u>	<u>345,723</u>	<u>350,141</u>	<u>183,425</u>
Contribution deficiency (excess)	<u>\$ 191,323</u>	<u>\$ (4,209)</u>	<u>\$ (329,147)</u>	<u>\$ (13,112)</u>
 Covered payroll	 \$ 24,102,816	 \$ 25,875,481	 \$ 25,785,049	 \$ 26,898,226
 Contributions as a percentage of covered payroll	 1.35%	 1.34%	 1.36%	 0.68%

Notes to the Schedule:

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

Fayette County, Georgia
Required Supplementary Information
Schedule of the Total OPEB Liability and Related Ratios
For the Year Ended June 30

	2018
Total OPEB liability	
Service cost	\$ 28,587
Interest	27,521
Changes of benefit terms	--
Differences between expected and actual experience	--
Changes of assumptions	--
Benefit payments	(69,692)
Implicit rate subsidy fulfilled	(66,655)
Net change in total OPEB liability	(80,239)
Total OPEB liability - beginning	825,908
Total OPEB liability - ending	\$ 745,669
 Covered-employee payroll	 \$ 3,259,660
 Total OPEB liability as a percentage of covered payroll	 22.88%

Notes to the Schedule:

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



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Fayette County, Georgia
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 7,168,616	\$ 7,944,232	\$ 15,112,848
Receivables (net of allowances for uncollectibles)	1,113,910	6,000	1,119,910
Total assets	<u>\$ 8,282,526</u>	<u>\$ 7,950,232</u>	<u>\$ 16,232,758</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 170,584	\$ 365,303	\$ 535,887
Salary and benefits payable	93,486	-	93,486
Total liabilities	<u>264,070</u>	<u>365,303</u>	<u>629,373</u>
Deferred inflows of resources - Unavailable revenue	<u>32,288</u>	<u>-</u>	<u>32,288</u>
Fund balances:			
Restricted for:			
Special programs:			
Capital projects	-	98,264	98,264
E-911 communications	3,817,556	-	3,817,556
Court services	1,199,972	-	1,199,972
Law enforcement	890,335	-	890,335
Animal control	975	-	975
Emergency medical services	1,757,099	-	1,757,099
Street lights	320,231	-	320,231
Committed for -			
Capital projects	-	7,486,665	7,486,665
Total fund balances	<u>7,986,168</u>	<u>7,584,929</u>	<u>15,571,097</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,282,526</u>	<u>\$ 7,950,232</u>	<u>\$ 16,232,758</u>

Fayette County, Georgia
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2018

	Emergency 911	Street Lights	Emergency Medical Services	Confiscated Assets	Fine Surcharges	Animal Control Sterilization	Totals
ASSETS:							
Cash and cash equivalents	\$ 3,494,515	\$ 321,356	\$ 1,383,893	\$ 865,307	\$ 1,102,065	\$ 1,480	\$ 7,168,616
Receivables (net of allowances for uncollectibles)	434,554	3,586	466,767	1,028	207,915	60	1,113,910
Total assets	<u>\$ 3,929,069</u>	<u>\$ 324,942</u>	<u>\$ 1,850,660</u>	<u>\$ 866,335</u>	<u>\$ 1,309,980</u>	<u>\$ 1,540</u>	<u>\$ 8,282,526</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:							
Liabilities:							
Accounts payable	\$ 63,979	\$ 1,930	\$ 22,361	\$ -	\$ 81,749	\$ 565	\$ 170,584
Salary and benefits payable	36,401	-	52,826	-	4,259	-	93,486
Total liabilities	<u>100,380</u>	<u>1,930</u>	<u>75,187</u>	<u>-</u>	<u>86,008</u>	<u>565</u>	<u>264,070</u>
Deferred inflows of resources - Unearned revenue	<u>11,133</u>	<u>2,781</u>	<u>18,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,288</u>
Fund balances:							
Restricted for:							
Special programs:							
E-911 communications	3,817,556	-	-	-	-	-	3,817,556
Court services	-	-	-	-	1,199,972	-	1,199,972
Law enforcement	-	-	-	866,335	24,000	-	890,335
Animal control	-	-	-	-	-	975	975
Emergency medical services	-	-	1,757,099	-	-	-	1,757,099
Street lights	-	320,231	-	-	-	-	320,231
Total fund balances	<u>3,817,556</u>	<u>320,231</u>	<u>1,757,099</u>	<u>866,335</u>	<u>1,223,972</u>	<u>975</u>	<u>7,986,168</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 3,929,069</u>	<u>\$ 324,942</u>	<u>\$ 1,850,660</u>	<u>\$ 866,335</u>	<u>\$ 1,309,980</u>	<u>\$ 1,540</u>	<u>\$ 8,282,526</u>

Fayette County, Georgia
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2018

	Unincorporated County Roads SPLOST	General Capital Projects	Totals
ASSETS:			
Cash and cash equivalents	\$ 98,264	\$ 7,845,968	\$ 7,944,232
Receivables (net of allowances for uncollectibles)	-	6,000	6,000
Total assets	<u>\$ 98,264</u>	<u>\$ 7,851,968</u>	<u>\$ 7,950,232</u>
LIABILITIES AND FUND BALANCES:			
Liabilities -			
Accounts payable	<u>\$ -</u>	<u>\$ 365,303</u>	<u>\$ 365,303</u>
Fund balances:			
Restricted for -			
Capital projects	98,264	-	98,264
Committed to -			
Capital projects	<u>-</u>	<u>7,486,665</u>	<u>7,486,665</u>
Total fund balances	<u>98,264</u>	<u>7,486,665</u>	<u>7,584,929</u>
Total liabilities and fund balances	<u>\$ 98,264</u>	<u>\$ 7,851,968</u>	<u>\$ 7,950,232</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:			
Taxes:			
Property	\$ 3,088,901	\$ -	\$ 3,088,901
Other	4,322	-	4,322
Intergovernmental	722,284	118,621	840,905
Charges for services	4,385,947	-	4,385,947
Fines and forfeitures	1,278,821	-	1,278,821
Investment earnings	11,956	31,757	43,713
Contributions and donations	-	6,000	6,000
Miscellaneous	20,614	10,000	30,614
Total revenues	<u>9,512,845</u>	<u>166,378</u>	<u>9,679,223</u>
EXPENDITURES:			
Current:			
Judicial system	735,061	-	735,061
Public safety	7,592,522	-	7,592,522
Public works	324,324	-	324,324
Capital outlay	-	3,125,975	3,125,975
Intergovernmental	-	4,124	4,124
Total expenditures	<u>8,651,907</u>	<u>3,130,099</u>	<u>11,782,006</u>
Excess (deficiency) of revenues over (under) expenditures	<u>860,938</u>	<u>(2,963,721)</u>	<u>(2,102,783)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	68,200	2,466,677	2,534,877
Transfers out	(150,000)	(210,702)	(360,702)
Sale of capital assets	10,600	6,000	16,600
Total other financing sources (uses)	<u>(71,200)</u>	<u>2,261,975</u>	<u>2,190,775</u>
Net change in fund balance	789,738	(701,746)	87,992
Fund balance, beginning of year	<u>7,196,430</u>	<u>8,286,675</u>	<u>15,483,105</u>
Fund balance, end of year	<u>\$ 7,986,168</u>	<u>\$ 7,584,929</u>	<u>\$ 15,571,097</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Emergency 911	Street Lights	Emergency Medical Services	Confiscated Assets	Fine Surcharges	Animal Control Sterilization	Totals
REVENUES:							
Taxes:							
Property	\$ 1,175,641	\$ 353,725	\$ 1,559,535	\$ -	\$ -	\$ -	\$ 3,088,901
Other	1,607	-	2,715	-	-	-	4,322
Intergovernmental	-	-	12,091	-	710,193	-	722,284
Charges for services	2,571,408	-	1,803,829	-	-	10,710	4,385,947
Fines and forfeitures	-	-	-	586,066	692,755	-	1,278,821
Investment earnings	8,415	-	3,315	143	83	-	11,956
Miscellaneous	-	4,235	2,629	3,750	10,000	-	20,614
Total revenues	<u>3,757,071</u>	<u>357,960</u>	<u>3,384,114</u>	<u>589,959</u>	<u>1,413,031</u>	<u>10,710</u>	<u>9,512,845</u>
EXPENDITURES:							
Current:							
Judicial system	-	-	-	-	735,061	-	735,061
Public safety	3,073,701	-	3,181,344	915,079	412,663	9,735	7,592,522
Public works	-	324,324	-	-	-	-	324,324
Total expenditures	<u>3,073,701</u>	<u>324,324</u>	<u>3,181,344</u>	<u>915,079</u>	<u>1,147,724</u>	<u>9,735</u>	<u>8,651,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>683,370</u>	<u>33,636</u>	<u>202,770</u>	<u>(325,120)</u>	<u>265,307</u>	<u>975</u>	<u>860,938</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	7,200	-	61,000	-	68,200
Transfers out	-	-	(150,000)	-	-	-	(150,000)
Sale of capital assets	-	-	-	10,600	-	-	10,600
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(142,800)</u>	<u>10,600</u>	<u>61,000</u>	<u>-</u>	<u>(71,200)</u>
Net change in fund balance	683,370	33,636	59,970	(314,520)	326,307	975	789,738
Fund balance, beginning of year	<u>3,134,186</u>	<u>286,595</u>	<u>1,697,129</u>	<u>1,180,855</u>	<u>897,665</u>	<u>-</u>	<u>7,196,430</u>
Fund balance, end of year	<u>\$ 3,817,556</u>	<u>\$ 320,231</u>	<u>\$ 1,757,099</u>	<u>\$ 866,335</u>	<u>\$ 1,223,972</u>	<u>\$ 975</u>	<u>\$ 7,986,168</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects Funds
For the Fiscal Year Ended June 30, 2018

	Unincorporated County Roads SPLOST	General Capital Projects	Totals
REVENUES:			
Intergovernmental	\$ -	\$ 118,621	\$ 118,621
Investment earnings	-	31,757	31,757
Contributions and donations	-	6,000	6,000
Miscellaneous	-	10,000	10,000
Total revenues	-	166,378	166,378
EXPENDITURES:			
Capital outlay	-	3,125,975	3,125,975
Intergovernmental	4,124	-	4,124
Total expenditures	4,124	3,125,975	3,130,099
Excess (deficiency) of revenues over (under) expenditures	(4,124)	(2,959,597)	(2,963,721)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	2,466,677	2,466,677
Transfers out	-	(210,702)	(210,702)
Proceeds from sale of capital assets	-	6,000	6,000
Total other financing sources (uses)	-	2,261,975	2,261,975
Net change in fund balance	(4,124)	(697,622)	(701,746)
Fund balance, beginning of year	102,388	8,184,287	8,286,675
Fund balance, end of year	\$ 98,264	\$ 7,486,665	\$ 7,584,929

Fayette County, Georgia
Emergency 911 (E-911) Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 1,170,000	\$ 1,170,000	\$ 1,175,641	\$ 5,641
Other	1,500	1,500	1,607	107
Charges for services	2,515,000	2,515,000	2,571,408	56,408
Investment earnings	-	-	8,415	8,415
Total revenues	<u>3,686,500</u>	<u>3,686,500</u>	<u>3,757,071</u>	<u>70,571</u>
EXPENDITURES:				
Current -				
Public safety -				
Emergency 911	<u>3,010,796</u>	<u>3,202,797</u>	<u>3,073,701</u>	<u>129,096</u>
Total expenditures	<u>3,010,796</u>	<u>3,202,797</u>	<u>3,073,701</u>	<u>129,096</u>
Net change in fund balance	<u>\$ 675,704</u>	<u>\$ 483,703</u>	683,370	<u>\$ 199,667</u>
Fund balance, beginning of year			<u>3,134,186</u>	
Fund balance, end of year			<u>\$ 3,817,556</u>	

Fayette County, Georgia
Street Lights Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes -				
Property	\$ 380,000	\$ 380,000	\$ 353,725	\$ (26,275)
Miscellaneous	7,800	7,800	4,235	(3,565)
Total revenue	387,800	387,800	357,960	(29,840)
EXPENDITURES:				
Current -				
Public works -				
Street lights	336,761	336,761	324,324	12,437
Net change in fund balance	\$ 51,039	\$ 51,039	33,636	\$ (17,403)
Fund balance, beginning of year			286,595	
Fund balance, end of year			\$ 320,231	

Fayette County, Georgia
Emergency Medical Services (EMS) Tax District Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted	Amounts	Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes:				
Property	\$ 1,501,500	\$ 1,501,500	\$ 1,559,535	\$ 58,035
Other	2,400	2,400	2,715	315
Intergovernmental	-	9,136	12,091	2,955
Charges for services	2,330,000	2,337,200	1,803,829	(533,371)
Investment earnings	600	600	3,315	2,715
Miscellaneous	-	1,400	2,629	1,229
	<u>3,834,500</u>	<u>3,852,236</u>	<u>3,384,114</u>	<u>(468,122)</u>
Total revenues				
EXPENDITURES:				
Current -				
Public Safety -				
Emergency medical services	3,165,670	3,190,605	3,181,344	9,261
	<u>3,165,670</u>	<u>3,190,605</u>	<u>3,181,344</u>	<u>9,261</u>
Total expenditures				
Excess of revenues over expenditures	668,830	661,631	202,770	(458,861)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	7,200	7,200	-
Transfers out	(150,000)	(150,000)	(150,000)	-
	<u>(150,000)</u>	<u>(142,800)</u>	<u>(142,800)</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ 518,830</u>	<u>\$ 518,831</u>	59,970	<u>\$ (458,861)</u>
Fund balance, beginning of year			1,697,129	
Fund balance, end of year			<u>\$ 1,757,099</u>	

Fayette County, Georgia
Confiscated Assets Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Fines and forfeitures:				
U. S. Customs	\$ -	\$ 295,736	\$ 295,736	\$ -
Federal	-	257,549	257,549	-
State	-	32,780	32,781	1
Investment earnings	-	141	143	2
Miscellaneous		3,750	3,750	
Total revenues	-	589,956	589,959	3
EXPENDITURES:				
Current -				
Public safety -				
Sheriff's office:				
U. S. Customs	-	528,892	528,892	-
Federal	-	345,086	345,085	1
State	-	41,103	41,102	1
Total expenditures	-	915,081	915,079	2
Excess (deficiency) of revenues over (under) expenditures	-	(325,125)	(325,120)	5
OTHER FINANCING SOURCES:				
Sale of capital assets	-	10,600	10,600	-
Net change in fund balance	\$ -	\$ (314,525)	(314,520)	\$ 5
Fund balance, beginning of year			1,180,855	
Fund balance, end of year			\$ 866,335	

Fayette County, Georgia
Fine Surcharges Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental:				
Jail surcharge	\$ 196,000	\$ 196,000	\$ 189,900	\$ (6,100)
Victims' assistance surcharge	87,000	87,000	90,047	3,047
Drug court grant	352,279	328,115	340,058	11,943
DUI court grant	40,000	76,988	90,188	13,200
Fines and forfeitures:				
Jail surcharge	175,000	175,000	158,954	(16,046)
Victims' assistance surcharge	63,800	63,800	69,029	5,229
Drug abuse education surcharge	165,500	165,500	207,741	42,241
DUI court surcharge	110,000	110,000	187,427	77,427
Juvenile court supervision surcharge	16,000	16,000	8,786	(7,214)
Law library surcharge	50,000	60,817	60,818	1
Investment earnings	-	-	83	83
Miscellaneous	-	-	10,000	10,000
Total revenues	<u>1,255,579</u>	<u>1,279,220</u>	<u>1,413,031</u>	<u>133,811</u>
EXPENDITURES:				
Current:				
Judicial system:				
Victims' assistance	109,163	109,163	109,163	-
Drug abuse education	402,635	426,787	410,522	16,265
DUI court	129,649	170,745	137,776	32,969
Juvenile court supervision	19,750	19,750	17,963	1,787
Law library	50,000	60,817	59,637	1,180
Public safety -				
Prisoner meals	432,000	432,000	412,663	19,337
Total expenditures	<u>1,143,197</u>	<u>1,219,262</u>	<u>1,147,724</u>	<u>71,538</u>
Excess of revenues over expenditures	<u>112,382</u>	<u>59,958</u>	<u>265,307</u>	<u>205,349</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>61,000</u>	<u>61,000</u>	<u>61,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 173,382</u>	<u>\$ 120,958</u>	<u>326,307</u>	<u>\$ 205,349</u>
Fund balance, beginning of year			<u>897,665</u>	
Fund balance, end of year			<u>\$ 1,223,972</u>	

Fayette County, Georgia
Animal Control Sterilization Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ 10,710	\$ 10,710	\$ -
EXPENDITURES:				
Current -				
Public Safety -				
Emergency medical services	-	9,736	9,735	1
Net change in fund balance	<u>\$ -</u>	<u>\$ 974</u>	975	<u>\$ 1</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ 975</u>	

Fayette County, Georgia
County-Wide Roads SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ 68,367,060	\$ -	\$ 68,367,060	\$ 81,100,087
Intergovernmental -				
Grants	927,180	454,269	1,381,449	-
Investment earnings	4,770,217	178,653	4,948,870	-
Total revenues	<u>74,064,457</u>	<u>632,922</u>	<u>74,697,379</u>	<u>81,100,087</u>
EXPENDITURES:				
Capital outlay -				
Streets and bridges	34,936,962	1,661,760	36,598,722	73,325,743
Intergovernmental -				
City of Fayetteville	7,774,106	2,000,000	9,774,106	7,774,344
Total expenditures	<u>42,711,068</u>	<u>3,661,760</u>	<u>46,372,828</u>	<u>81,100,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,353,389</u>	<u>(3,028,838)</u>	<u>28,324,551</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers in	205,000	-	205,000	-
Proceeds from the sale of capital assets	97	-	97	-
Total other financing sources	<u>205,097</u>	<u>-</u>	<u>205,097</u>	<u>-</u>
Net change in fund balance	<u>\$ 31,558,486</u>	<u>(3,028,838)</u>	<u>\$ 28,529,648</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>31,558,486</u>		
Fund balance, end of year		<u>\$ 28,529,648</u>		

Fayette County, Georgia
Unincorporated County Roads SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ 29,341,602	\$ -	\$ 29,341,602	\$ 34,757,180
Intergovernmental:				
Clayton County	65,959	-	65,959	-
City of Peachtree City	63,263	-	63,263	-
Investment earnings	477,409	-	477,409	-
Total revenues	<u>29,948,233</u>	<u>-</u>	<u>29,948,233</u>	<u>34,757,180</u>
EXPENDITURES:				
Capital outlay -				
Streets and bridges	14,693,369	-	14,693,369	16,780,767
Intergovernmental:				
Town of Brooks	178,617	-	178,617	212,019
City of Fayetteville	3,580,098	986	3,581,084	4,247,327
City of Peachtree City	10,136,815	2,791	10,139,606	12,025,984
Town of Tyrone	1,256,946	347	1,257,293	1,491,083
Total expenditures	<u>29,845,845</u>	<u>4,124</u>	<u>29,849,969</u>	<u>34,757,180</u>
Net change in fund balance	<u>\$ 102,388</u>	(4,124)	<u>\$ 98,264</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>102,388</u>		
Fund balance, end of year		<u>\$ 98,264</u>		

Fayette County, Georgia
2017 SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Taxes -				
Special purpose local option sales tax (SPLOST)	\$ -	\$ 25,117,977	\$ 25,117,977	\$ 141,014,157
Intergovernmental -				
Grants	90,824	51,244	142,068	-
Investment earnings	-	74,259	74,259	-
Miscellaneous	-	152	152	-
Total revenues	<u>90,824</u>	<u>25,243,632</u>	<u>25,334,456</u>	<u>141,014,157</u>
EXPENDITURES:				
Capital outlay -				
Stormwater projects	694,818	3,551,121	4,245,939	23,741,641
Transportation projects	143,716	343,165	486,881	19,520,353
Public safety emergency services	-	146,153	146,153	18,211,536
Fire and emergency services	10	646,494	646,504	2,950,000
Intergovernmental:				
Town of Brooks	-	103,609	103,609	693,791
City of Fayetteville	-	3,150,794	3,150,794	21,098,538
City of Peachtree City	-	6,790,779	6,790,779	45,472,835
Town of Tyrone	-	1,359,335	1,359,335	9,102,463
Town of Woolsey	-	223,000	223,000	223,000
Total expenditures	<u>838,544</u>	<u>16,314,450</u>	<u>17,152,994</u>	<u>141,014,157</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(747,720)</u>	<u>8,929,182</u>	<u>8,181,462</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>1,500,000</u>	<u>782,164</u>	<u>2,282,164</u>	<u>-</u>
Total other financing sources	<u>1,500,000</u>	<u>782,164</u>	<u>2,282,164</u>	<u>-</u>
Net change in fund balance	<u>\$ 752,280</u>	9,711,346	<u>\$ 10,463,626</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>752,280</u>		
Fund balance, end of year		<u>\$ 10,463,626</u>		

Fayette County, Georgia
Combining Statement of Net Position
Non-Major Business-Type Enterprise Funds
June 30, 2018

	Solid Waste	Stormwater Utility	Total
ASSETS:			
Current assets:			
Cash and cash equivalents -			
Unrestricted	\$ 175,800	\$ -	\$ 175,800
Accounts receivable, net of allowance	8,215	-	8,215
Total current assets	184,015	-	184,015
Non-current assets -			
Capital assets:			
Nondepreciable	111,853	-	111,853
Depreciable, net	81,525	-	81,525
Total capital assets	193,378	-	193,378
Other assets -			
Net pension asset	4,723	-	4,723
Total noncurrent assets	198,101	-	198,101
Total assets	382,116	-	382,116
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	9,153	-	9,153
LIABILITIES			
Current liabilities:			
Accounts payable	7,042	-	7,042
Salaries and benefits payable	984	-	984
Compensated absences	390	-	390
	8,416	-	8,416
Noncurrent liabilities -			
Compensated absences	2,347	-	2,347
Landfill closure & postclosure	39,380	-	39,380
Net OPEB liability	821	-	821
	42,548	-	42,548
Total liabilities	50,964	-	50,964
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	4,513	-	4,513
NET POSITION			
Net investment in capital assets	193,378	-	193,378
Unrestricted	142,414	-	142,414
	\$ 335,792	\$ -	\$ 335,792

Fayette County, Georgia
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2018

	Solid Waste	Stormwater Utility	Total
Operating Revenues:			
Charges for sales and services:			
Solid waste fees	\$ 71,877	\$ -	\$ 71,877
Operating Expenses:			
Cost of sales and services	227,939	16,411	244,350
Administration	-	268,682	268,682
Depreciation	16,044	-	16,044
Total operating expenses	243,983	285,093	529,076
Operating income (loss)	(172,106)	(285,093)	(457,199)
Nonoperating Revenues:			
Interest income	77	-	77
Loss on disposal of capital assets	-	(757,870)	(757,870)
Total nonoperating revenues	77	(757,870)	(757,793)
Income (loss) before transfers	(172,029)	(1,042,963)	(1,214,992)
Tranfers:			
Transfers out	-	(782,164)	(782,164)
Change in net position	(172,029)	(1,825,127)	(1,997,156)
Total net position - beginning, as restated	507,821	1,825,127	2,332,948
Total net position - ending	\$ 335,792	\$ -	\$ 335,792

Fayette County, Georgia
Combining Statement of Cash Flows
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2018

	Solid Waste	Stormwater Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 70,246	\$ 75,740	\$ 145,986
Payments to suppliers	(146,539)	(12,014)	(158,553)
Payments to employees	(50,934)	-	(50,934)
Net cash provided (used) by operating activities	<u>(127,227)</u>	<u>63,726</u>	<u>(63,501)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out to other funds	<u>-</u>	<u>(782,164)</u>	<u>(782,164)</u>
Net cash used by noncapital financing activities	<u>-</u>	<u>(782,164)</u>	<u>(782,164)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of capital assets	<u>(31,065)</u>	<u>(73,723)</u>	<u>(104,788)</u>
Net cash used by capital and related financing activities	<u>(31,065)</u>	<u>(73,723)</u>	<u>(104,788)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>77</u>	<u>-</u>	<u>77</u>
Net decrease in cash and cash equivalents	(158,215)	(792,161)	(950,376)
Cash and cash equivalents at beginning of year	<u>334,015</u>	<u>792,161</u>	<u>1,126,176</u>
Cash and cash equivalents at end of year	<u><u>\$ 175,800</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 175,800</u></u>

Fayette County, Georgia
Combining Statement of Cash Flows
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2018

	Solid Waste	Stormwater Utility	Total
	<u> </u>	<u> </u>	<u> </u>
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (172,106)	\$ (285,093)	\$ (457,199)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	16,044	-	16,044
Decrease (increase) in assets:			
Accounts receivable	(1,631)	354,402	352,771
Prepaid items	18	-	18
Pension related items	(1,293)	-	(1,293)
Increase (decrease) in liabilities:			
Accounts payable	(8,547)	(5,583)	(14,130)
Salaries and benefits payable	148	-	148
Compensated absences	848	-	848
Landfill closure & postclosure	39,380	-	39,380
OPEB related items	(88)	-	(88)
Total adjustments	<u>44,879</u>	<u>348,819</u>	<u>393,698</u>
Net cash provided (used) by operating activities	<u>\$ (127,227)</u>	<u>\$ 63,726</u>	<u>\$ (63,501)</u>

Fayette County, Georgia
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	Self-Insurance Funds			Vehicle/ Equipment Replacement	
	Workers' Compensation	Dental And Vision	Major Medical		Total
ASSETS					
Current assets:					
Unrestricted cash	\$ 369,802	\$ 20,365	\$ 842,395	\$ 2,364,708	\$ 3,597,270
Restricted cash	-	-	-	808,441	808,441
Cash with fiscal agent	-	-	181,786	-	181,786
Accounts receivable	-	116	684,885	11,183	696,184
Prepaid items	102,511	-	-	-	102,511
Total current assets	472,313	20,481	1,709,066	3,184,332	5,386,192
Noncurrent assets -					
Capital assets -					
Depreciable, net	-	-	-	6,646,078	6,646,078
Total assets	472,313	20,481	1,709,066	9,830,410	12,032,270
LIABILITIES					
Current liabilities:					
Accounts payable	1,588	-	-	2,079	3,667
Claims payable	36,404	4,618	845,030	-	886,052
Total current liabilities	37,992	4,618	845,030	2,079	889,719
Noncurrent liabilities -					
Certificates of participation	-	-	-	601,000	601,000
Total noncurrent liabilities	-	-	-	601,000	601,000
Total liabilities	37,992	4,618	845,030	603,079	1,490,719
NET POSITION					
Net investment in capital assets	-	-	-	6,045,078	6,045,078
Unrestricted	434,321	15,863	864,036	3,182,253	4,496,473
Total net position	\$ 434,321	\$ 15,863	\$ 864,036	\$ 9,227,331	\$ 10,541,551

Fayette County, Georgia
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	Self-Insurance Funds			Vehicle/ Equipment Replacement	Total
	Workers' Compensation	Dental And Vision	Major Medical		
Operating Revenues:					
Charges for sales and services	\$ 939,600	\$ 485,857	\$ 7,850,250	\$ 466,651	\$ 9,742,358
Miscellaneous	-	-	24	-	24
Total operating revenues	939,600	485,857	7,850,274	466,651	9,742,382
Operating Expenses:					
Costs of sales and services	912,711	526,942	7,260,933	-	8,700,586
Administration	15,000	-	568,659	-	583,659
Depreciation	-	-	-	939,278	939,278
Total operating expenses	927,711	526,942	7,829,592	939,278	10,223,523
Operating income (loss)	11,889	(41,085)	20,682	(472,627)	(481,141)
Nonoperating Revenues (Expenses):					
Interest income	-	-	-	52,956	52,956
Interest expense	-	-	-	(24,066)	(24,066)
Gain on disposal of capital assets	-	-	-	47,810	47,810
Total nonoperating revenues (expenses)	-	-	-	76,700	76,700
Income (loss) before contributions and transfers	11,889	(41,085)	20,682	(395,927)	(404,441)
Other Financing Sources (Uses)					
Transfers in	-	-	-	1,216,958	1,216,958
Change in net position	11,889	(41,085)	20,682	821,031	812,517
Total net position - beginning	422,432	56,948	843,354	8,406,300	9,729,034
Total net position - ending	\$ 434,321	\$ 15,863	\$ 864,036	\$ 9,227,331	\$ 10,541,551

Fayette County, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	Self-Insurance Funds			Vehicle/ Equipment Replacement	Total
	Workers' Compensation	Dental And Vision	Major Medical		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ -	\$ 137,400	\$ 1,739,495	\$ -	\$ 1,876,895
Receipts from interfund services provided	982,615	348,341	5,425,894	455,468	7,212,318
Payments to suppliers	(906,821)	(534,033)	(7,350,257)	-	(8,791,111)
Net cash provided (used) by operating activities	75,794	(48,292)	(184,868)	455,468	298,102
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	-	-	-	1,216,958	1,216,958
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest paid on certificates of participation	-	-	-	(24,066)	(24,066)
Purchase of capital assets	-	-	-	(2,106,716)	(2,106,716)
Proceeds from sale of capital assets	-	-	-	47,810	47,810
Net cash used by capital and related financing activities	-	-	-	(2,082,972)	(2,082,972)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	-	-	-	52,956	52,956
Proceeds from sale of investments, net	-	-	-	2,482,372	2,482,372
Net cash provided by investing activities	-	-	-	2,535,328	2,535,328
Net increase (decrease) in cash and cash equivalents	75,794	(48,292)	(184,868)	2,124,782	1,967,416
Cash and cash equivalents at beginning of year	294,008	68,657	1,209,049	1,048,367	2,620,081
Cash and cash equivalents at end of year	\$ 369,802	\$ 20,365	\$ 1,024,181	\$ 3,173,149	\$ 4,587,497

Fayette County, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	Self-Insurance Funds			Vehicle/ Equipment Replacement	Total
	<u>Workers'</u> <u>Compensation</u>	<u>Dental</u> <u>And Vision</u>	<u>Major</u> <u>Medical</u>		
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 11,889	\$ (41,085)	\$ 20,682	\$ (472,627)	\$ (481,141)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	-	-	939,278	939,278
Decrease (increase) in assets -					
Accounts receivable	43,015	(116)	(684,885)	(11,183)	(653,169)
Increase (decrease) in liabilities:					
Accounts payable	1,588	(4,743)	-	-	(3,155)
Claims payable	19,302	(2,348)	479,335	-	496,289
Total adjustments	63,905	(7,207)	(205,550)	928,095	779,243
Net cash provided (used) by operating activities	\$ 75,794	\$ (48,292)	\$ (184,868)	\$ 455,468	\$ 298,102

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End Of Year</u>
TAX COMMISSIONER				
Assets:				
Cash and cash equivalents	\$ 2,766,821	\$ 185,471,155	\$ (185,789,598)	\$ 2,448,378
Taxes receivable	2,679,740	154,418,197	(154,384,822)	2,713,115
Total assets	<u>\$ 5,446,561</u>	<u>\$ 339,889,352</u>	<u>\$ (340,174,420)</u>	<u>\$ 5,161,493</u>
Liabilities:				
Due to others	\$ 5,446,561	\$ 339,889,352	\$ (340,174,420)	\$ 5,161,493
Total liabilities	<u>\$ 5,446,561</u>	<u>\$ 339,889,352</u>	<u>\$ (340,174,420)</u>	<u>\$ 5,161,493</u>
SHERIFF'S OFFICE				
Assets -				
Cash and cash equivalents	<u>\$ 346,165</u>	<u>\$ 871,032</u>	<u>\$ (875,522)</u>	<u>\$ 341,675</u>
Liabilities -				
Due to others	<u>\$ 346,165</u>	<u>\$ 871,032</u>	<u>\$ (875,522)</u>	<u>\$ 341,675</u>
SUPERIOR COURT				
Assets -				
Cash and cash equivalents	<u>\$ 1,541,847</u>	<u>\$ 7,028,622</u>	<u>\$ (7,501,685)</u>	<u>\$ 1,068,784</u>
Liabilities -				
Due to others	<u>\$ 1,541,847</u>	<u>\$ 7,028,622</u>	<u>\$ (7,501,685)</u>	<u>\$ 1,068,784</u>
STATE COURT				
Assets -				
Cash and cash equivalents	<u>\$ 732,305</u>	<u>\$ 2,602,128</u>	<u>\$ (2,648,795)</u>	<u>\$ 685,638</u>
Liabilities -				
Due to others	<u>\$ 732,305</u>	<u>\$ 2,602,128</u>	<u>\$ (2,648,795)</u>	<u>\$ 685,638</u>
MAGISTRATE COURT				
Assets -				
Cash and cash equivalents	<u>\$ 111,596</u>	<u>\$ 518,379</u>	<u>\$ (502,275)</u>	<u>\$ 127,700</u>
Liabilities -				
Due to others	<u>\$ 111,596</u>	<u>\$ 518,379</u>	<u>\$ (502,275)</u>	<u>\$ 127,700</u>

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Balance Beginning Of Year	Additions	Deductions	Balance End Of Year
JUVENILE COURT				
Assets -				
Cash and cash equivalents	\$ 10,089	\$ 107,278	\$ (111,376)	\$ 5,991
Liabilities -				
Due to others	\$ 10,089	\$ 107,278	\$ (111,376)	\$ 5,991
PROBATE COURT				
Assets -				
Cash and cash equivalents	\$ 49,158	\$ 618,249	\$ (624,937)	\$ 42,470
Liabilities -				
Due to others	\$ 49,158	\$ 618,249	\$ (624,937)	\$ 42,470
GRIFFIN JUDICIAL CIRCUIT				
Assets -				
Cash and cash equivalents	\$ 204,322	\$ 1,071,388	\$ (1,051,932)	\$ 223,778
Due from other governments	31,692	-	(31,692)	-
Total assets	\$ 236,014	\$ 1,071,388	\$ (1,083,624)	\$ 223,778
Liabilities -				
Due to others	\$ 236,014	\$ 1,071,388	\$ (1,083,624)	\$ 223,778
TOTAL - ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 5,762,303	\$ 198,288,231	\$ (199,106,120)	\$ 4,944,414
Due from other governments	31,692	-	(31,692)	-
Taxes receivable	2,679,740	154,418,197	(154,384,822)	2,713,115
Total assets	\$ 8,473,735	\$ 352,706,428	\$ (353,522,634)	\$ 7,657,529
Liabilities:				
Due to others	\$ 8,473,735	\$ 352,706,428	\$ (353,522,634)	\$ 7,657,529
Total liabilities	\$ 8,473,735	\$ 352,706,428	\$ (353,522,634)	\$ 7,657,529

Fayette County, Georgia
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)
Road, Street and Bridge Purposes
For the Fiscal Year Ended June 30, 2018

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

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

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

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

Fayette County, Georgia
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)
Road, Street and Bridge Purposes
For the Fiscal Year Ended June 30, 2018

MUNICIPALITIES AND UNINCORPORATED COUNTY PROJECTS - BY JURISDICTION (30% of total tax proceeds)	Original Cost Estimate	Revised Cost Estimate	Prior Years' Expenditures	Current Year's Expenditures	Total Amount Expended
Unincorporated county projects:					
Intersections	\$ 2,450,000	\$ 2,450,000	\$ 2,275,252	\$ -	\$ 2,275,252
Roadways	14,330,767	14,330,767	12,418,117	-	12,418,117
Total unincorporated county projects	16,780,767	16,780,767	14,693,369	-	14,693,369
Proceeds Distributed to Municipalities For Projects:					
Town of Brooks	212,019	212,019	178,617	-	178,617
City of Fayetteville	4,247,327	4,247,327	3,580,098	986	3,581,084
City of Peachtree City	12,025,984	12,025,984	10,136,815	2,791	10,139,606
Town of Tyrone	1,491,083	1,491,083	1,256,946	347	1,257,293
Total proceeds distributed to municipalities for projects	17,976,413	17,976,413	15,152,476	4,124	15,156,600
Total Municipalities and unincorporated County projects - by Jurisdiction	<u>\$ 34,757,180</u>	<u>\$ 34,757,180</u>	<u>\$ 29,845,845</u>	<u>\$ 4,124</u>	<u>\$ 29,849,969</u>
COUNTY-WIDE PROJECTS (70% of total tax proceeds)					
Bridges	\$ 3,670,000	\$ 3,670,000	\$ 4,878,737	\$ 261,548	\$ 5,140,285
Intersections	3,657,400	3,657,400	1,523,263	19,716	1,542,979
Roadways	60,201,443	60,201,443	27,761,712	1,380,496	29,142,208
Streetscapes / paths	5,796,900	5,796,900	773,297	-	773,297
Total county-wide projects	73,325,743	73,325,743	34,937,009	1,661,760	36,598,769
Proceeds Distributed to Municipalities For Projects:					
City of Fayetteville	7,774,344	7,774,344	7,774,060	2,000,000	9,774,060
Total Municipalities and county-wide County projects - by Jurisdiction	<u>\$ 81,100,087</u>	<u>\$ 81,100,087</u>	<u>\$ 42,711,069</u>	<u>\$ 3,661,760</u>	<u>\$ 46,372,829</u>

Fayette County, Georgia
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (2017 SPLOST)
Stormwater, Transportation, and Public Safety Purposes
For the Fiscal Year Ended June 30, 2018

On March 21, 2017, a referendum was passed by the Fayette County voters to impose a one-percent Special Purpose Local Option Sales Tax (2017 SPLOST) to be used for the funding of Stormwater improvements, transportation projects, updated Public Safety radio system, and construction of a new Fire Station #4 within Fayette County. As part of the referendum process, a list of the proposed projects and their estimated cost was provided.

The tax, which has a maximum collection period of six-years, begins on July 1, 2017 and will continue through June 30, 2023. The tax revenues generated from the SPLOST will be divided on a pre-approved percentage basis between the City of Fayetteville, City of Peachtree City, Town of Tyrone, Town of Brooks, and Fayette County. A list of projects was provided by each entity, identified above, including the Town of Woolsey, and the percentage of tax revenue generated from the additional 1 percent SPLOST will be disbursed to those entities upon receipt of the revenues from the State of Georgia. This distribution will be shown as an "Intergovernmental" Expenditure on the County's accounting records for its governmental fund types. The Town of Woolsey's project funding was included in Fayette County's percentage allocation and will be disbursed upon the first receipt of tax revenues on August 31, 2017.

The revenues generated from the 1 percent 2017 SPLOST are estimated at \$141M, over the six-year period. Fayette County's percentage is 45.84% of the 1 percent SPLOST collections. This is anticipated to total approximately \$64.6M over the six-year collection period, or \$10.7M per year. Fayette County has developed a schedule of the anticipated funding, as well as timing of the various Stormwater, Transportation, and Public Safety based projects to make the most efficient use of the upcoming funding and to allocate the funding towards the high priority projects first.

Of Fayette County's estimated \$64.6M in 1 percent SPLOST tax revenues, the expected expenditures are identified below:

Stormwater projects	\$23.7M
Transportation projects	\$19.5M
Public Safety Radio System	\$18.2M
Fire and Emergency Services	\$ 2.95M
Town of Woolsey Project	\$ 223,000

Fayette County, Georgia
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (2017 SPLOST)
Stormwater, Transportation and Public Safety Purpose
For the Fiscal Year Ended June 30, 2018

PROJECTS	Original Cost Estimate	Revised Cost Estimate	Prior Years' Expenditures	Current Year's Expenditures	Total Amount Expended
Unincorporated county projects:					
Stormwater	\$ 23,741,641	\$ 23,741,641	\$ 694,818	\$ 3,551,121	\$ 4,245,939
Transportation	19,520,353	19,520,353	143,716	343,165	486,881
Public safety emergency services	18,211,536	18,211,536	-	146,153	146,153
Fire and emergency services	2,950,000	2,950,000	10	646,494	646,504
Total unincorporated county projects	<u>64,423,530</u>	<u>64,423,530</u>	<u>838,544</u>	<u>4,686,933</u>	<u>5,525,477</u>
Proceeds Distributed to Municipalities					
For Projects:					
Town of Brooks	693,791	693,791	-	103,609	103,609
City of Fayetteville	21,098,538	21,098,538	-	3,150,794	3,150,794
City of Peachtree City	45,472,835	45,472,835	-	6,790,779	6,790,779
Town of Tyrone	9,102,463	9,102,463	-	1,359,335	1,359,335
Town of Woolsey	223,000	223,000	-	223,000	223,000
Total proceeds distributed to municipalities for projects	<u>76,590,627</u>	<u>76,590,627</u>	<u>-</u>	<u>11,627,517</u>	<u>11,627,517</u>
Total Municipalities and unincorporated County projects - by Jurisdiction	<u>\$ 141,014,157</u>	<u>\$ 141,014,157</u>	<u>\$ 838,544</u>	<u>\$ 16,314,450</u>	<u>\$ 17,152,994</u>



STATISTICAL SECTION

Fayette County, Georgia Statistical Section

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

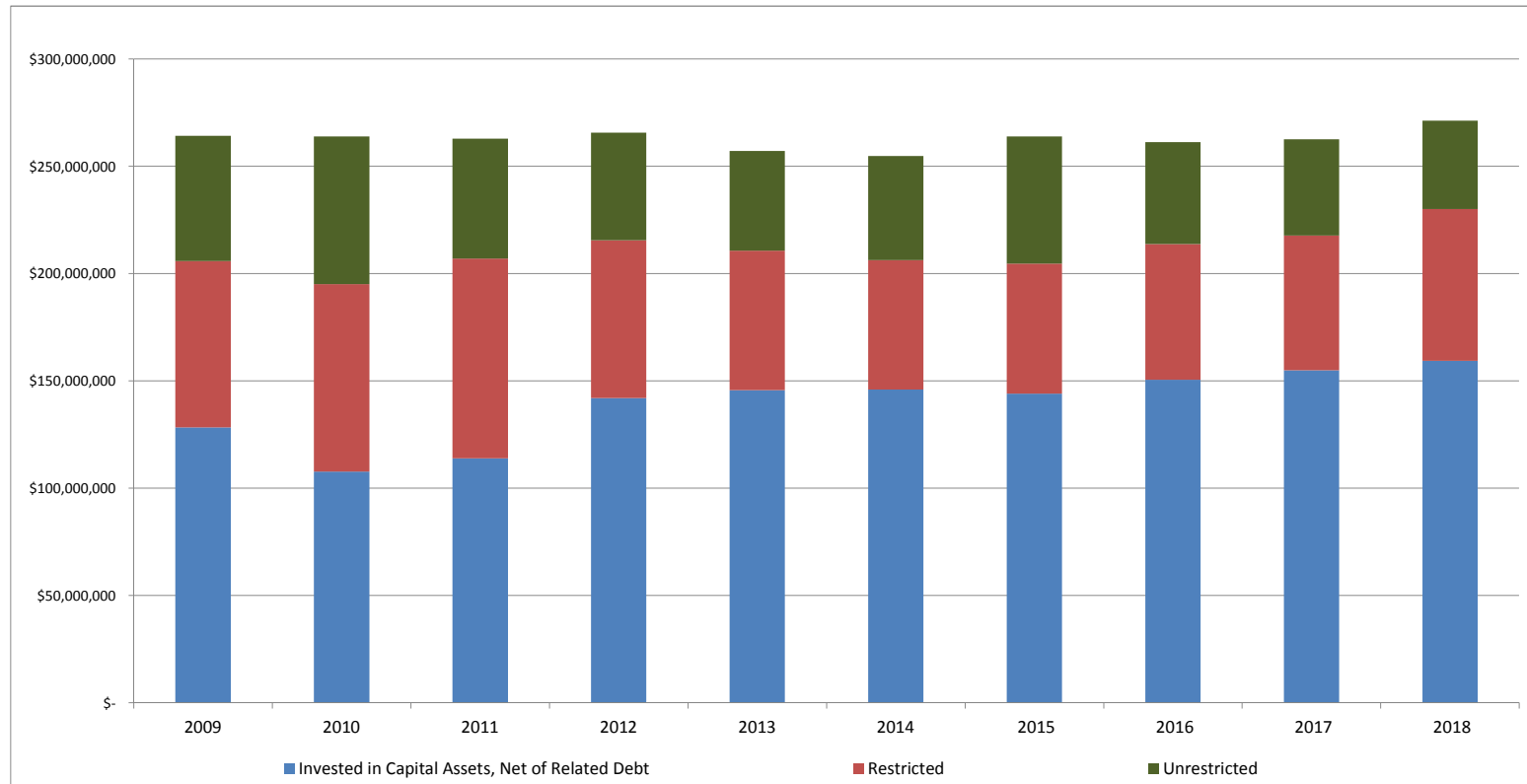
<u>Section Contents</u>	<u>Page</u>
<i>Financial Trends:</i> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	138
<i>Revenue Capacity:</i> These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax. The data gives insight into those factors that could affect the Government's ability to collect this revenue source going forward.	144
<i>Debt Capacity:</i> 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.	148
<i>Demographic and Economic Information:</i> These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the County's financial activities take place and help to make comparisons over time and with other entities.	152
<i>Operating Information:</i> 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.	154

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 63,748,577	\$ 58,397,470	\$ 70,008,446	\$ 80,352,869	\$ 82,924,362	\$ 84,415,940	\$ 87,415,034	\$ 86,967,976	\$ 86,761,468	\$ 91,754,046
Restricted	71,244,000	74,438,174	78,946,616	59,847,388	50,612,241	45,851,519	45,158,983	45,019,968	44,299,115	51,497,841
Unrestricted	49,992,711	51,871,452	34,001,574	46,009,682	43,150,112	43,438,857	48,960,932	45,247,698	43,589,241	42,812,506
Total Governmental Activities Net Position	\$ 184,985,288	\$ 184,707,096	\$ 182,956,636	\$ 186,209,939	\$ 176,686,715	\$ 173,706,316	\$ 181,534,949	\$ 177,235,642	\$ 174,649,824	\$ 186,064,393
Business-Type Activities										
Net investment in capital assets	\$ 64,569,214	\$ 49,359,571	\$ 43,836,827	\$ 61,628,316	\$ 62,729,861	\$ 61,521,377	\$ 56,683,378	\$ 63,456,395	\$ 68,084,150	\$ 67,569,842
Restricted	6,284,372	12,918,243	14,127,960	13,655,049	14,380,299	14,375,769	15,410,942	18,295,821	18,532,120	19,173,457
Unrestricted	8,304,049	16,880,892	21,845,727	4,165,159	3,248,845	5,178,022	10,285,800	2,260,384	1,236,940	(1,646,015)
Total Business-Type Activities Net Position	\$ 79,157,635	\$ 79,158,706	\$ 79,810,514	\$ 79,448,524	\$ 80,359,005	\$ 81,075,168	\$ 82,380,120	\$ 84,012,600	\$ 87,853,210	\$ 85,097,284
Primary Government										
Net investment in capital assets	\$ 128,317,791	\$ 107,757,041	\$ 113,845,273	\$ 141,981,185	\$ 145,654,223	\$ 145,937,317	\$ 144,098,412	\$ 150,424,371	\$ 154,845,618	\$ 159,323,888
Restricted	77,528,372	87,356,417	93,074,576	73,502,437	64,992,540	60,227,288	60,569,925	63,315,789	62,831,235	70,671,298
Unrestricted	58,296,760	68,752,344	55,847,301	50,174,841	46,398,957	48,616,879	59,246,732	47,508,082	44,826,181	41,166,491
Total Primary Government Net Position	\$ 264,142,923	\$ 263,865,802	\$ 262,767,150	\$ 265,658,463	\$ 257,045,720	\$ 254,781,484	\$ 263,915,069	\$ 261,248,242	\$ 262,503,034	\$ 271,161,677

Total Primary Government Net Position



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

Expenses:	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities:										
General Government	\$ 15,816,215	\$ 17,477,463	\$ 13,911,254	\$ 13,747,299	\$ 8,231,193	\$ 8,840,389	\$ 8,185,246	\$ 9,414,258	\$ 8,729,365	\$ 9,492,940
Judicial System	5,800,998	5,607,459	5,150,662	5,570,703	6,530,318	5,974,701	6,230,201	6,895,680	6,864,937	7,249,775
Public Safety	34,914,755	33,801,423	34,914,150	35,486,701	36,652,065	35,243,601	33,212,515	35,986,411	37,771,204	38,921,791
Public Works	13,866,560	13,183,402	10,040,669	5,109,741	8,203,309	7,921,320	9,515,157	10,140,891	14,141,638	23,756,478
Health and Welfare	726,382	695,438	761,169	765,345	759,250	826,969	824,642	787,302	800,988	850,264
Culture and Recreation	2,208,201	2,869,310	2,511,883	2,563,090	2,578,096	3,119,068	2,430,447	2,559,163	2,789,813	2,765,542
Housing and Development	1,418,307	1,260,287	1,277,307	1,408,138	1,259,508	1,223,384	1,009,389	1,341,840	1,256,249	1,360,513
Interest on Long-Term Debt	2,717,850	2,785,637	2,182,282	2,102,925	1,791,865	1,709,636	1,648,588	1,574,938	1,537,558	1,487,876
Total Governmental Activities Expenses	<u>\$ 77,469,268</u>	<u>\$ 77,680,419</u>	<u>\$ 70,749,376</u>	<u>\$ 66,753,942</u>	<u>\$ 66,005,604</u>	<u>\$ 64,859,068</u>	<u>\$ 63,056,185</u>	<u>\$ 68,700,483</u>	<u>\$ 73,891,752</u>	<u>\$ 85,885,179</u>
Business-Type Activities										
Water System	\$ 12,890,913	\$ 13,083,162	\$ 13,336,098	\$ 14,432,774	\$ 13,856,941	\$ 14,604,741	\$ 15,501,745	\$ 15,620,548	\$ 15,880,990	\$ 17,987,474
Solid Waste	165,620	162,341	163,806	333,225	249,551	348,225	336,787	208,054	157,533	243,983
Stormwater Utility	-	-	-	187,116	393,644	89,659	59,945	72,446	57,654	285,093
Total Business-Type Activities	<u>\$ 13,056,533</u>	<u>\$ 13,245,503</u>	<u>\$ 13,499,904</u>	<u>\$ 14,953,115</u>	<u>\$ 14,500,136</u>	<u>\$ 15,042,625</u>	<u>\$ 15,898,477</u>	<u>\$ 15,901,048</u>	<u>\$ 16,096,177</u>	<u>\$ 18,516,550</u>
Total Primary Government Expenses	<u>\$ 90,525,801</u>	<u>\$ 90,925,922</u>	<u>\$ 84,249,280</u>	<u>\$ 81,707,057</u>	<u>\$ 80,505,740</u>	<u>\$ 79,901,693</u>	<u>\$ 78,954,662</u>	<u>\$ 84,601,531</u>	<u>\$ 89,987,929</u>	<u>\$ 104,401,729</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,090,531	\$ 1,614,489	\$ 4,185,268	\$ 423,656	\$ 1,382,169	\$ 2,833,621	\$ 1,554,865	\$ 1,700,227	\$ 1,704,005	\$ 1,794,713
Judicial System	2,607,184	2,474,750	2,695,620	2,442,258	1,090,187	1,241,212	1,305,216	2,716,600	3,297,954	3,199,299
Public Safety	7,222,617	5,139,419	6,693,329	4,642,449	6,372,134	6,514,688	6,977,036	5,297,148	5,456,020	5,505,914
Public Works	5,928	7,170	7,175	7,576	-	1,245	7,927	4,759	5,378	7,093
Health and Welfare	-	-	-	-	-	-	-	283,493	74,826	69,029
Culture and Recreation	211,795	240,786	278,526	240,857	57,774	55,422	237,655	286,240	274,789	299,717
Housing and Development	20,910	10,861	210,985	196,713	9,250	8,022	980,493	998,045	966,040	953,394
Operating Grants and Contributions	23,148	31,935	27,767	947,402	287,451	486,585	453,506	943,367	952,997	1,068,044
Capital Grants and Contributions	-	-	204,367	598,070	1,181,470	1,951,495	1,995,322	1,489,132	2,269,409	2,112,443
Total Governmental Activities Program Revenues	<u>\$ 11,182,113</u>	<u>\$ 9,519,410</u>	<u>\$ 14,303,037</u>	<u>\$ 9,498,981</u>	<u>\$ 10,380,435</u>	<u>\$ 13,092,290</u>	<u>\$ 13,512,020</u>	<u>\$ 13,719,011</u>	<u>\$ 15,001,418</u>	<u>\$ 15,009,646</u>
Business-Type Activities:										
Charges for Services:										
Water System	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,296	\$ 15,271,737	\$ 15,846,990	\$ 16,962,742	\$ 15,931,846
Solid Waste	109,122	120,708	140,382	132,095	115,337	80,878	66,733	70,010	73,977	71,877
Stormwater Utility	-	-	-	300,333	148,431	759,663	607,427	614,053	681,199	-
Capital Grants and Contributions	1,096,917	418,363	379,232	116,920	332,659	776,055	167,928	1,656,881	3,521,882	1,242,681
Total Business-Type Activities Program Revenues	<u>\$ 13,697,346</u>	<u>\$ 13,883,325</u>	<u>\$ 14,808,681</u>	<u>\$ 15,120,214</u>	<u>\$ 14,586,316</u>	<u>\$ 15,291,892</u>	<u>\$ 16,113,825</u>	<u>\$ 18,187,934</u>	<u>\$ 21,239,800</u>	<u>\$ 17,246,404</u>
Total Primary Government Program Revenues	<u>\$ 24,879,459</u>	<u>\$ 23,402,735</u>	<u>\$ 29,111,718</u>	<u>\$ 24,619,195</u>	<u>\$ 24,966,751</u>	<u>\$ 28,384,182</u>	<u>\$ 29,625,845</u>	<u>\$ 31,906,945</u>	<u>\$ 36,241,218</u>	<u>\$ 32,256,050</u>
Net (Expenses) Revenues										
Governmental Activities	\$ (66,287,155)	\$ (68,161,009)	\$ (56,446,339)	\$ (57,254,961)	\$ (55,625,169)	\$ (51,766,778)	\$ (49,544,165)	\$ (54,981,472)	\$ (58,890,334)	\$ (70,875,533)
Business-Type Activities	640,813	637,822	1,308,777	167,099	86,180	249,267	215,348	2,286,886	5,143,623	(1,270,146)
Total Primary Government Net Expenses	<u>\$ (65,646,342)</u>	<u>\$ (67,523,187)</u>	<u>\$ (55,137,562)</u>	<u>\$ (57,087,862)</u>	<u>\$ (55,538,989)</u>	<u>\$ (51,517,511)</u>	<u>\$ (49,328,817)</u>	<u>\$ (52,694,586)</u>	<u>\$ (53,746,711)</u>	<u>\$ (72,145,679)</u>

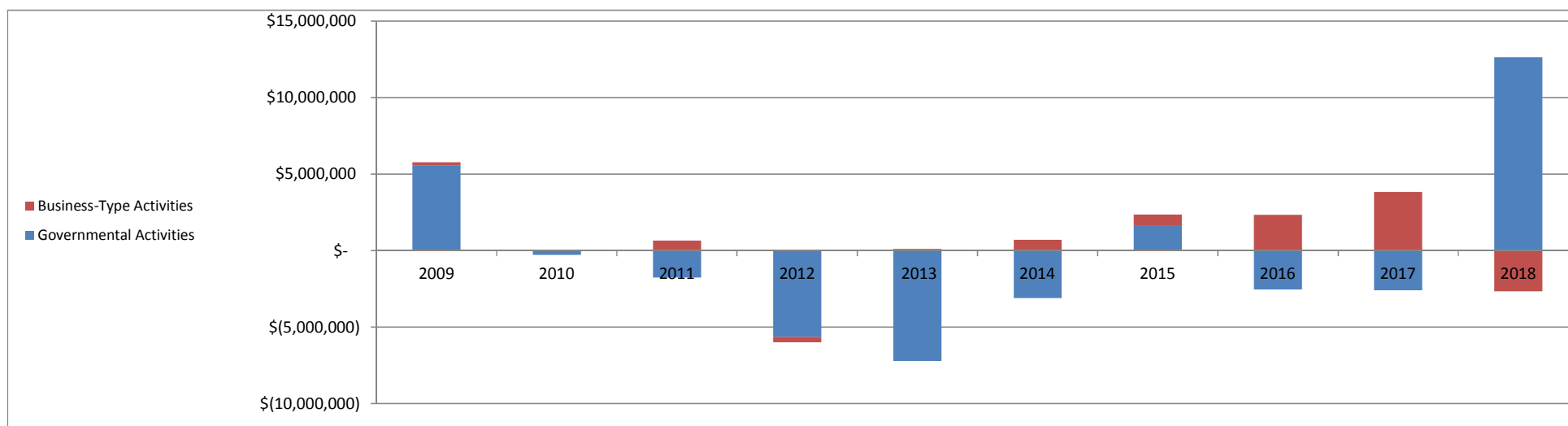
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**Fayette County, Georgia
Changes in Net Position**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 37,627,125	\$ 39,052,755	\$ 37,981,404	\$ 36,089,255	\$ 34,853,932	\$ 34,950,569	\$ 36,291,270	\$ 37,572,313	\$ 38,526,458	\$ 39,824,105
Sales Taxes	8,990,109	9,635,056	9,572,548	10,011,105	9,968,049	9,998,908	10,455,973	10,830,858	11,882,013	37,756,182
Other Taxes	1,041,225	1,224,064	1,311,971	3,247,599	3,205,096	3,228,724	3,333,818	3,337,009	3,461,582	3,728,125
Special Purpose Local Option Sales Taxes	15,103,230	12,254,894	160,567	-	-	-	-	-	-	-
Intergovernmental	5,957,783	3,654,944	1,580,095	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	59,595	61,790	16,329	-	-	-	310,723	-	504,464	29,057
Unrestricted Investment Earnings	1,424,672	764,894	391,771	905,075	97,882	442,146	313,394	452,737	241,921	351,280
Miscellaneous	1,004,306	520,363	2,975,137	834,182	287,887	337,545	845,587	287,798	293,109	290,604
Transfers	627,976	714,057	706,057	539,650	-	(296,501)	(347,083)	(41,428)	1,394,969	1,540,034
Total Governmental Activities	\$ 71,836,021	\$ 67,882,817	\$ 54,695,879	\$ 51,626,866	\$ 48,412,846	\$ 48,661,391	\$ 51,203,682	\$ 52,439,287	\$ 56,304,516	\$ 83,519,387
Business-Type Activities:										
Gain on Sale of Capital Assets	\$ 2,605	\$ 3,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,425)	\$ 32,010	\$ (10,058)
Unrestricted Investment Earnings	130,550	30,456	5,552	10,561	15,089	10,489	13,551	19,120	59,946	172,097
Miscellaneous	86,641	43,144	43,536	-	20,868	159,906	129,511	-	-	-
Transfers	(627,976)	(714,057)	(706,057)	(539,650)	-	296,501	347,083	41,428	(1,394,969)	(1,540,034)
Total Business-Type Activities	\$ (408,180)	\$ (636,750)	\$ (656,969)	\$ (529,089)	\$ 35,957	\$ 466,896	\$ 490,145	\$ 59,123	\$ (1,303,013)	\$ (1,377,995)
Total Primary Government	\$ 71,427,841	\$ 67,246,067	\$ 54,038,910	\$ 51,097,777	\$ 48,448,803	\$ 49,128,287	\$ 51,693,827	\$ 52,498,410	\$ 55,001,503	\$ 82,141,392
Changes in Net Position										
Governmental Activities	\$ 5,548,866	\$ (278,192)	\$ (1,750,460)	\$ (5,628,095)	\$ (7,212,323)	\$ (3,105,387)	\$ 1,659,517	\$ (2,542,185)	\$ (2,585,818)	\$ 12,643,854
Business-Type Activities	232,633	1,072	651,808	(361,990)	122,137	716,163	705,493	2,346,009	3,840,610	(2,648,141)
Total Primary Government	\$ 5,781,499	\$ (277,120)	\$ (1,098,652)	\$ (5,990,085)	\$ (7,090,186)	\$ (2,389,224)	\$ 2,365,010	\$ (196,176)	\$ 1,254,792	\$ 9,995,713
	(1)	(1)	(1)	(1)	(1)	(1)				

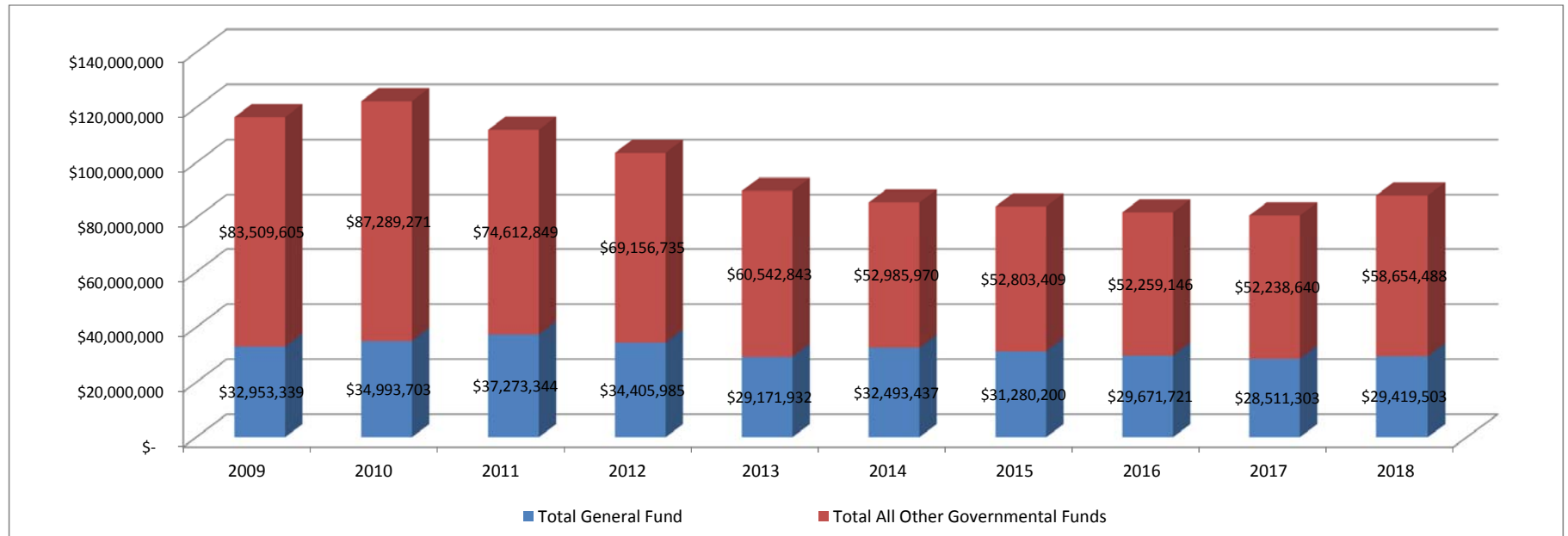
Note (1): The amount of the Change in Net Position for these fiscal years was impacted by the recession that began in 2008.

Changes in Net Position for Each Fiscal Year by Activity Type



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Nonspendable	\$ 987,514	\$ 205,194	\$ 260,351	\$ 246,522	\$ 148,647	\$ 202,728	\$ 132,671	\$ 4,810,543	\$ 4,040,465	\$ 3,801,491
Restricted	-	-	-	-	-	-	-	328,032	244,762	332,647
Committed	13,661,922	13,365,551	13,633,544	11,300,171	10,971,735	10,786,253	12,527,406	12,020,533	12,308,266	12,849,272
Assigned	13,045,947	13,974,440	11,175,508	16,817,110	11,158,549	12,806,455	13,433,650	7,983,573	6,699,767	8,421,779
Unassigned	5,257,956	7,448,518	12,203,941	6,042,182	6,893,001	8,698,001	5,186,473	4,529,040	5,218,043	4,014,314
Total General Fund	\$ 32,953,339	\$ 34,993,703	\$ 37,273,344	\$ 34,405,985	\$ 29,171,932	\$ 32,493,437	\$ 31,280,200	\$ 29,671,721	\$ 28,511,303	\$ 29,419,503
All Other Governmental Funds:										
Nonspendable	\$ 48,251	\$ 55,465	\$ 33,326	\$ 27,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	58,828,786	63,055,225	65,576,980	59,062,139	49,590,241	44,524,334	43,845,386	44,691,936	44,054,353	51,167,823
Committed	2,651,440	2,618,608	9,002,543	10,066,728	10,952,602	8,461,636	8,958,023	7,567,210	8,184,287	7,486,665
Assigned	21,981,128	21,559,973	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 83,509,605	\$ 87,289,271	\$ 74,612,849	\$ 69,156,735	\$ 60,542,843	\$ 52,985,970	\$ 52,803,409	\$ 52,259,146	\$ 52,238,640	\$ 58,654,488
Total Governmental Funds	\$ 116,462,944	\$ 122,282,974	\$ 111,886,193	\$ 103,562,720	\$ 89,714,775	\$ 85,479,407	\$ 84,083,609	\$ 81,930,867	\$ 80,749,943	\$ 88,073,991



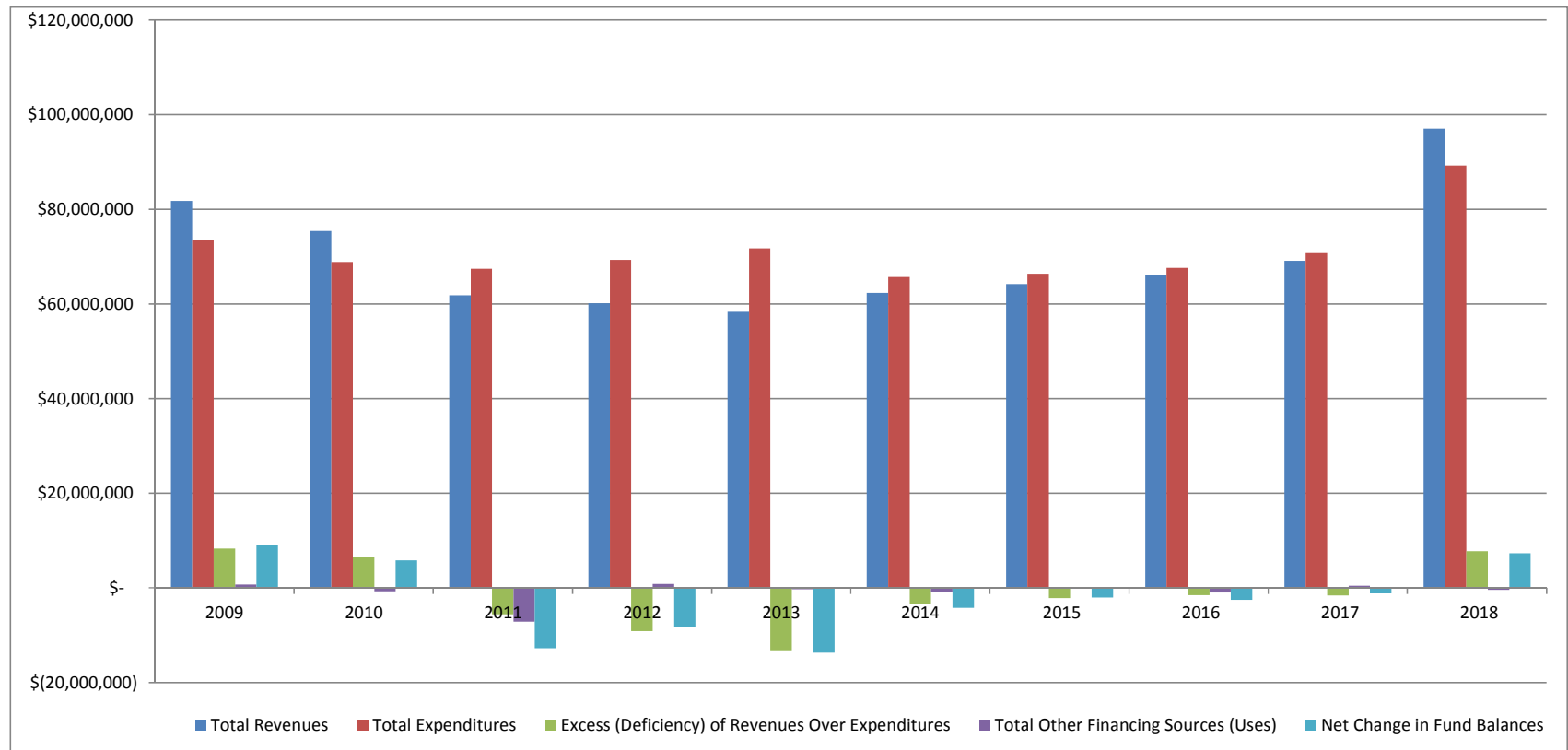
Fayette County, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 62,761,689	\$ 62,166,769	\$ 48,092,665	\$ 49,791,543	\$ 47,566,643	\$ 48,749,712	\$ 50,235,661	\$ 51,676,210	\$ 53,698,496	\$ 81,398,688
Licenses and Permits	414,314	424,201	451,172	215,512	775,962	1,056,793	1,020,180	1,029,030	992,763	975,036
Intergovernmental	5,957,783	3,654,944	1,580,095	1,409,544	1,400,559	2,145,554	2,138,202	2,125,032	3,114,128	2,901,291
Charges for Services	5,134,297	5,142,649	5,570,018	5,488,362	5,849,162	7,366,996	7,419,591	7,691,184	7,739,112	7,890,782
Fines and Forfeitures	5,293,648	3,142,726	4,461,473	2,273,165	2,284,648	2,225,607	2,623,171	2,566,298	3,043,903	2,961,309
Investment Income	1,236,042	334,924	510,585	468,787	115,546	414,807	436,684	660,362	259,125	551,236
Contributions	23,148	520,363	1,138,077	17,715	13,275	108,510	30,941	19,232	35,597	23,083
Miscellaneous	912,629	31,935	27,767	499,541	326,369	247,779	287,643	287,798	246,549	295,813
Total Revenues	<u>\$ 81,733,550</u>	<u>\$ 75,418,511</u>	<u>\$ 61,831,852</u>	<u>\$ 60,164,169</u>	<u>\$ 58,332,164</u>	<u>\$ 62,315,758</u>	<u>\$ 64,192,073</u>	<u>\$ 66,055,146</u>	<u>\$ 69,129,673</u>	<u>\$ 96,997,238</u>
Expenditures:										
General Government	\$ 8,424,786	\$ 7,689,333	\$ 8,038,927	\$ 8,624,978	\$ 7,957,441	\$ 7,906,318	\$ 8,474,229	\$ 8,840,870	\$ 7,936,679	\$ 8,592,297
Judicial System	5,808,638	5,552,734	5,632,112	5,483,839	5,761,405	5,387,294	5,427,604	5,887,696	5,884,104	6,295,282
Public Safety	32,824,740	31,436,915	32,862,460	35,178,886	35,707,478	32,705,193	33,161,474	33,819,105	35,302,047	36,885,121
Public Works	4,000,116	3,631,377	5,356,961	4,648,297	4,117,385	4,318,927	5,450,375	6,007,633	7,072,255	6,721,049
Health and Welfare	726,382	695,438	761,169	759,057	754,060	822,881	820,891	782,510	794,390	843,841
Culture and Recreation	2,146,860	1,980,568	1,917,872	2,019,104	2,010,788	1,991,122	2,078,287	2,080,220	2,194,680	2,219,562
Housing and Development	1,405,259	1,242,377	1,268,371	1,317,126	1,278,862	1,196,085	1,072,343	1,320,363	1,245,260	1,340,112
Capital Outlay	10,278,522	9,622,634	9,399,329	7,461,104	10,286,510	7,566,894	6,005,663	4,965,643	3,620,808	9,474,668
Intergovernmental	2,975,587	2,183,858	23,752	-	-	976,465	586,714	642,365	3,444,846	13,631,641
Debt Service:										
Principal Retirement	2,132,423	2,239,941	864,247	1,855,425	2,108,566	1,220,000	1,710,000	1,785,000	1,835,000	1,890,000
Interest Expense	2,704,186	2,597,403	1,306,503	1,968,539	1,714,752	1,612,406	1,553,637	1,478,656	1,425,048	1,370,006
Paying Agent Fees	1,436	1,364	450	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 73,428,935</u>	<u>\$ 68,873,942</u>	<u>\$ 67,432,153</u>	<u>\$ 69,316,355</u>	<u>\$ 71,697,247</u>	<u>\$ 65,703,585</u>	<u>\$ 66,341,217</u>	<u>\$ 67,610,061</u>	<u>\$ 70,755,117</u>	<u>\$ 89,263,579</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,304,615</u>	<u>\$ 6,544,569</u>	<u>\$ (5,600,301)</u>	<u>\$ (9,152,186)</u>	<u>\$ (13,365,083)</u>	<u>\$ (3,387,827)</u>	<u>\$ (2,149,144)</u>	<u>\$ (1,554,915)</u>	<u>\$ (1,625,444)</u>	<u>\$ 7,733,659</u>
Other Financing Sources (Uses):										
Transfers In	\$ 7,989,541	\$ 5,872,157	\$ 4,781,077	\$ 5,108,105	\$ 3,239,917	\$ 351,900	\$ 5,487,092	\$ 5,237,258	\$ 4,817,807	\$ 3,520,543
Transfers Out	(7,370,264)	(6,658,486)	(4,148,943)	(4,568,455)	(3,592,117)	(1,205,760)	(6,735,802)	(6,248,686)	(4,392,838)	(3,955,337)
Refunded Bonds Issued	-	-	40,300,000	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	1,509,351	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow	-	-	(49,637,039)	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	59,595	61,790	16,329	289,063	32,353	6,319	1,363,300	16,152	19,551	25,183
Total Other Financing Sources (Uses)	<u>\$ 678,872</u>	<u>\$ (724,539)</u>	<u>\$ (7,179,225)</u>	<u>\$ 828,713</u>	<u>\$ (319,847)</u>	<u>\$ (847,541)</u>	<u>\$ 114,590</u>	<u>\$ (995,276)</u>	<u>\$ 444,520</u>	<u>\$ (409,611)</u>
Net Change in Fund Balances	<u>\$ 8,983,487</u>	<u>\$ 5,820,030</u>	<u>\$ (12,779,526)</u>	<u>\$ (8,323,473)</u>	<u>\$ (13,684,930)</u>	<u>\$ (4,235,368)</u>	<u>\$ (2,034,554)</u>	<u>\$ (2,550,191)</u>	<u>\$ (1,180,924)</u>	<u>\$ 7,324,048</u>
Debt Service as a Percentage of Noncapital Expenditures	8.7%	9.3%	3.9%	6.6%	6.6%	5.0%	5.6%	5.5%	4.8%	4.1%

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues	\$ 81,733,550	\$ 75,418,511	\$ 61,831,852	\$ 60,164,169	\$ 58,332,164	\$ 62,315,758	\$ 64,192,073	\$ 66,055,146	\$ 69,129,673	\$ 96,997,238
Total Expenditures	73,428,935	68,873,942	67,432,153	69,316,355	71,697,247	65,703,585	66,341,217	67,610,061	70,755,117	89,263,579
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,304,615	\$ 6,544,569	\$ (5,600,301)	\$ (9,152,186)	\$ (13,365,083)	\$ (3,387,827)	\$ (2,149,144)	\$ (1,554,915)	\$ (1,625,444)	\$ 7,733,659
Total Other Financing Sources (Uses)	678,872	(724,539)	(7,179,225)	828,713	(319,847)	(847,541)	114,590	(995,276)	444,520	(409,611)
Net Change in Fund Balances	\$ 8,983,487	\$ 5,820,030	\$ (12,779,526)	\$ (8,323,473)	\$ (13,684,930)	\$ (4,235,368)	\$ (2,034,554)	\$ (2,550,191)	\$ (1,180,924)	\$ 7,324,048

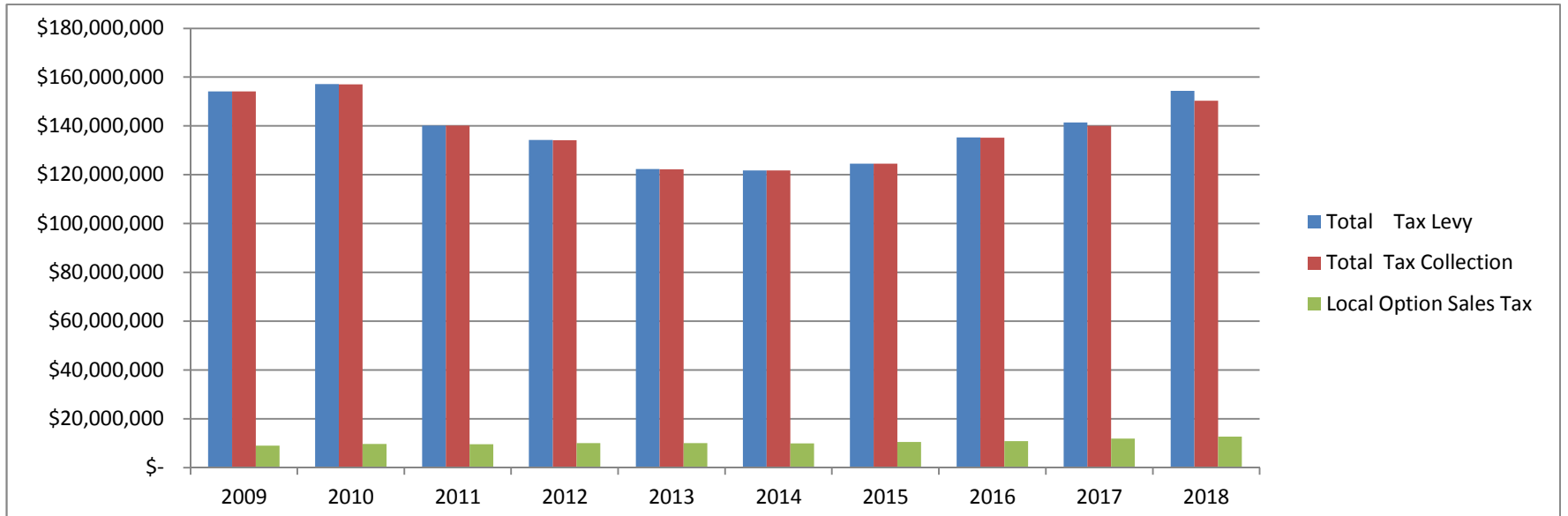


Note: The large decrease in FY 2011 is primarily the result of the Special Purpose Local Option Sales collections and expenditures.

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Year Tax Collections</u>	<u>Percentage of Levy Collected</u>	<u>Collection of Prior Years Property Taxes</u>	<u>Total Tax Collection</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>	<u>Local Option Sales Tax Proceeds (1)</u>
2009	\$ 154,107,697	\$ 149,091,541	96.75%	\$ 5,013,976	\$ 154,105,517	100.00%	\$ 2,180	0.00%	\$ 8,990,109
2010	157,080,795	151,371,828	96.37%	5,674,260	157,046,088	99.98%	34,707	0.02%	9,635,056
2011	140,148,922	134,663,746	96.09%	5,458,312	140,122,058	99.98%	26,864	0.02%	9,572,548
2012	134,178,334	131,714,621	98.16%	2,441,935	134,156,555	99.98%	21,779	0.02%	10,011,105
2013	122,284,367	119,310,658	97.57%	2,952,958	122,263,616	99.98%	20,751	0.02%	9,968,049
2014	121,777,781	117,737,859	96.68%	4,020,642	121,758,501	99.98%	19,280	0.02%	9,936,255
2015	124,530,100	122,373,029	98.27%	2,116,036	124,489,065	99.97%	41,035	0.03%	10,435,200
2016	135,228,713	131,267,629	97.07%	3,908,601	135,176,231	99.96%	52,482	0.04%	10,812,469
2017	141,407,621	138,482,717	97.93%	1,506,793	139,989,510	99.00%	98,768	0.07%	11,851,965
2018	154,418,197	148,947,488	96.46%	1,396,348	150,343,836	97.36%	288,838	0.19%	12,638,205

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

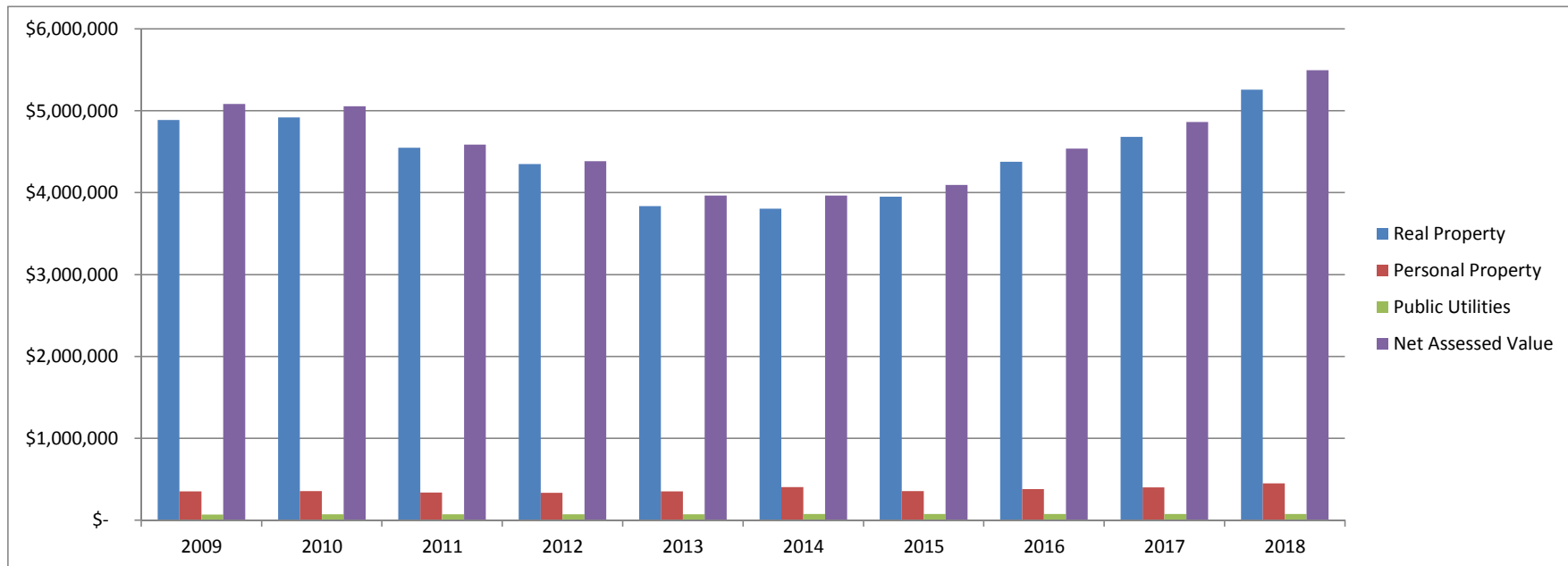


Fayette County, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Real Property		Personal Property		Privately Owned Public Utilities		Total Property		Freeport-Homestead Exemption	Net Assessed Value	Total Direct Tax Rate	Ratio of Total Assessed Value to Total True Value
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value				
2009	\$ 4,886,730	\$12,216,825	\$ 350,357	\$ 875,893	\$ 67,292	\$ 168,230	\$5,304,379	\$13,260,948	\$ 222,280	\$5,082,099	32.10	40.00%
2010	4,919,137	12,297,843	353,933	884,833	71,407	178,518	5,344,477	13,361,193	290,048	5,054,429	31.61	40.00%
2011	4,548,164	11,370,410	336,972	842,432	73,324	183,312	4,958,460	12,396,154	370,429	4,588,031	29.84	40.00%
2012	4,347,689	10,869,222	333,903	834,759	72,840	182,101	4,754,432	11,886,082	371,400	4,383,032	30.66	40.00%
2013	3,836,232	9,590,580	350,356	875,890	72,395	180,988	4,258,983	10,647,458	295,313	3,963,670	30.98	40.00%
2014	3,804,354	9,510,886	402,228	1,005,570	74,508	186,270	4,281,090	10,702,726	317,359	3,963,732	31.05	40.00%
2015	3,952,260	9,880,650	355,426	888,565	74,580	186,450	4,382,266	10,955,665	286,482	4,095,784	30.89	40.00%
2016	4,378,530	10,946,325	379,780	949,450	74,640	186,600	4,832,950	12,082,375	295,147	4,537,803	30.31	40.00%
2017	4,680,601	11,701,503	401,865	1,004,663	75,650	189,125	5,158,116	12,895,290	294,422	4,863,694	29.75	40.00%
2018	5,257,750	13,144,375	450,825	1,127,063	76,918	192,295	5,785,493	14,463,733	291,119	5,494,374	29.10	40.00%

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

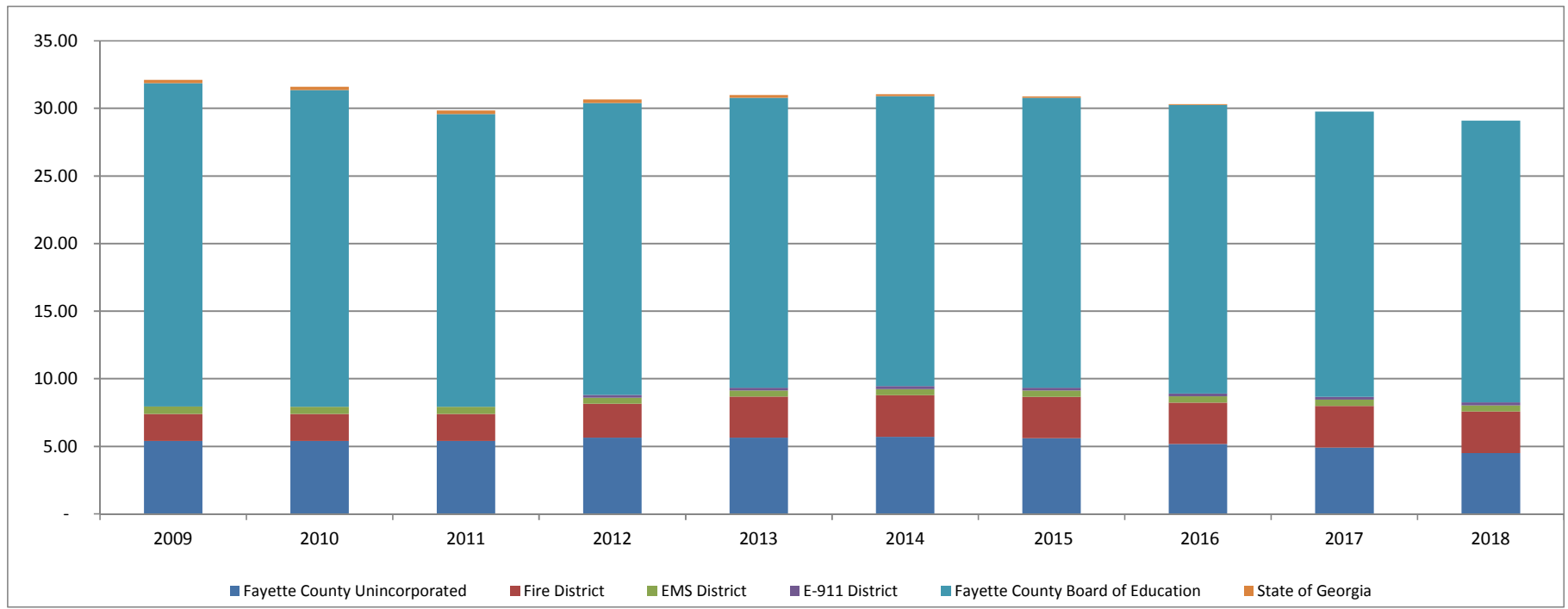
Assessed Value Information



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Primary Government:										
Fayette County Unincorporated	5.40	5.40	5.40	5.65	5.65	5.71	5.60	5.17	4.92	4.51
Fire District	1.99	1.99	1.99	2.50	3.03	3.07	3.07	3.07	3.07	3.07
Emergency Medical Services (EMS) District	0.55	0.55	0.55	0.45	0.45	0.46	0.46	0.46	0.46	0.46
E-911 Communications District	-	-	-	0.21	0.21	0.21	0.21	0.21	0.21	0.21
Total Primary Government	7.94	7.94	7.94	8.81	9.33	9.45	9.34	8.91	8.66	8.25
Fayette County Board of Education	23.92	23.42	21.65	21.60	21.45	21.45	21.45	21.35	21.10	20.85
State of Georgia	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05	-	-
Total	<u>32.11</u>	<u>31.61</u>	<u>29.84</u>	<u>30.66</u>	<u>30.98</u>	<u>31.05</u>	<u>30.89</u>	<u>30.31</u>	<u>29.76</u>	<u>29.10</u>

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



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

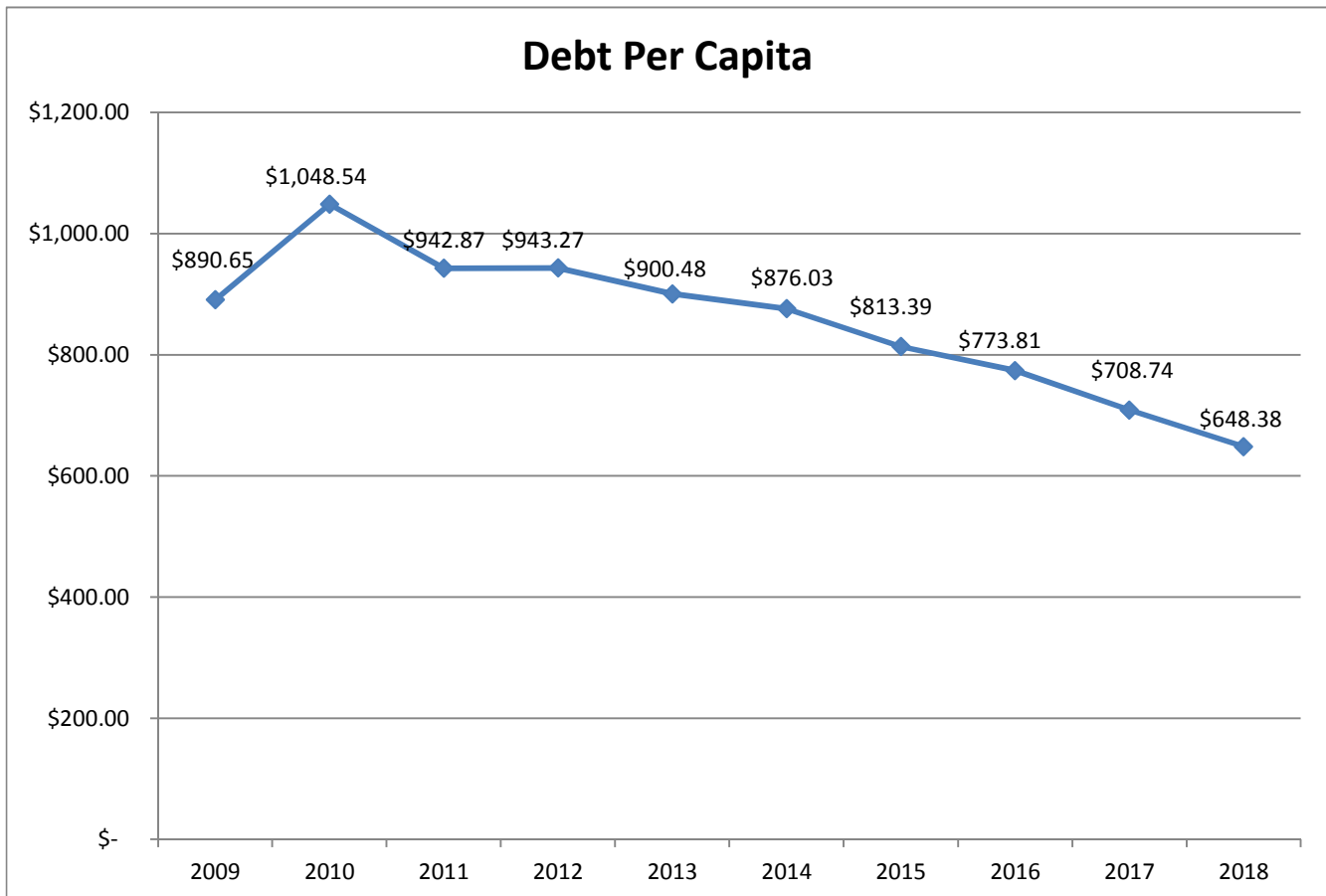
Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wencor LLC	\$ 29,508,890	1	0.51%	\$ -		0.00%
Walmart Stores Inc	25,955,688	2	0.45%	-		0.00%
Georgia Power Company	17,473,187	3	0.30%	10,166,458	10	0.18%
Brent Scarbrough	17,219,844	4	0.30%	-		0.00%
Coweta Fayette EMC	15,837,637	5	0.27%	19,571,691	4	0.36%
Sany America Inc & Leashold Acct	15,607,552	6	0.27%	-		0.00%
Hoshizaki America Inc	14,814,989	7	0.26%	10,397,343	9	0.19%
Cooper Lighting	13,292,007	8	0.23%	-		0.00%
Sany America Inc	13,027,088	9	0.23%	-		0.00%
Atlanta Gas Light	12,798,057	10	0.22%	11,188,307	8	0.20%
NCR Corporation	-		0.00%	31,901,923	1	0.58%
Inland Southeast Fayette I & II	-		0.00%	31,027,200	2	0.56%
Inland Southeast Fayette III	-		0.00%	22,646,940	3	0.41%
Bellsouth Telecommunication	-		0.00%	14,284,425	5	0.26%
Matsushita Communication Corp	-		0.00%	13,212,738	6	0.24%
AMLI Residential Prop	-		0.00%	12,683,400	7	0.23%
Sub-Total Top Ten Taxpayers	\$ 175,534,939		3.03%	\$ 177,080,425		3.22%
Total Other Taxpayers	5,609,958,061		96.97%	5,329,881,091		96.78%
Total Assessed Value - All Taxpayers	<u>\$ 5,785,493,000</u>		<u>100.00%</u>	<u>\$ 5,506,961,516</u>		<u>100.00%</u>

Source: Fayette County Tax Commissioner

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

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita
	Revenue Bonds	Certificates of Participation	Capital Lease Obligations	Water Revenue Bonds			
2009	\$ 49,410,000	\$ 3,981,203	\$ 3,672,183	\$ 37,760,000	\$ 94,823,386	2.11%	\$ 891
2010	47,995,000	3,220,000	2,786,133	57,970,000	111,971,133	2.31%	1,048.54
2011	40,300,000	3,220,000	1,878,632	55,080,000	100,478,632	2.18%	942.87
2012	39,350,000	1,331,000	948,566	60,040,000	101,669,566	2.12%	943.27
2013	36,518,788	872,000	-	59,432,952	96,823,740	1.90%	900.48
2014	38,241,004	872,000	-	55,817,664	94,930,668	1.81%	876.03
2015	36,451,555	601,000	-	52,147,369	89,199,924	1.52%	813.39
2016	34,587,106	601,000	-	49,671,340	84,859,446	1.45%	773.81
2017	32,672,657	601,000	-	45,840,998	79,114,655	1.35%	708.74
2018	30,703,208	601,000	-	41,670,644	72,974,852	1.08%	648.38

(1) Source: The Bureau of Economic Analysis



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

Fayette County, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

<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)	\$ 71,213,687	100%	\$ 71,213,687
Peachtree City (b)	1,025,000	100%	<u>1,025,000</u>
Subtotal for Overlapping Debt			<u>72,238,687</u>
Capital Leases	601,000	100%	601,000
Fayette County Public Facilities Authority	30,703,208	100%	<u>30,703,208</u>
Subtotal for Direct Debt			<u>31,304,208</u>
Total Direct and Overlapping Debt			<u>\$ 103,542,895</u>

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

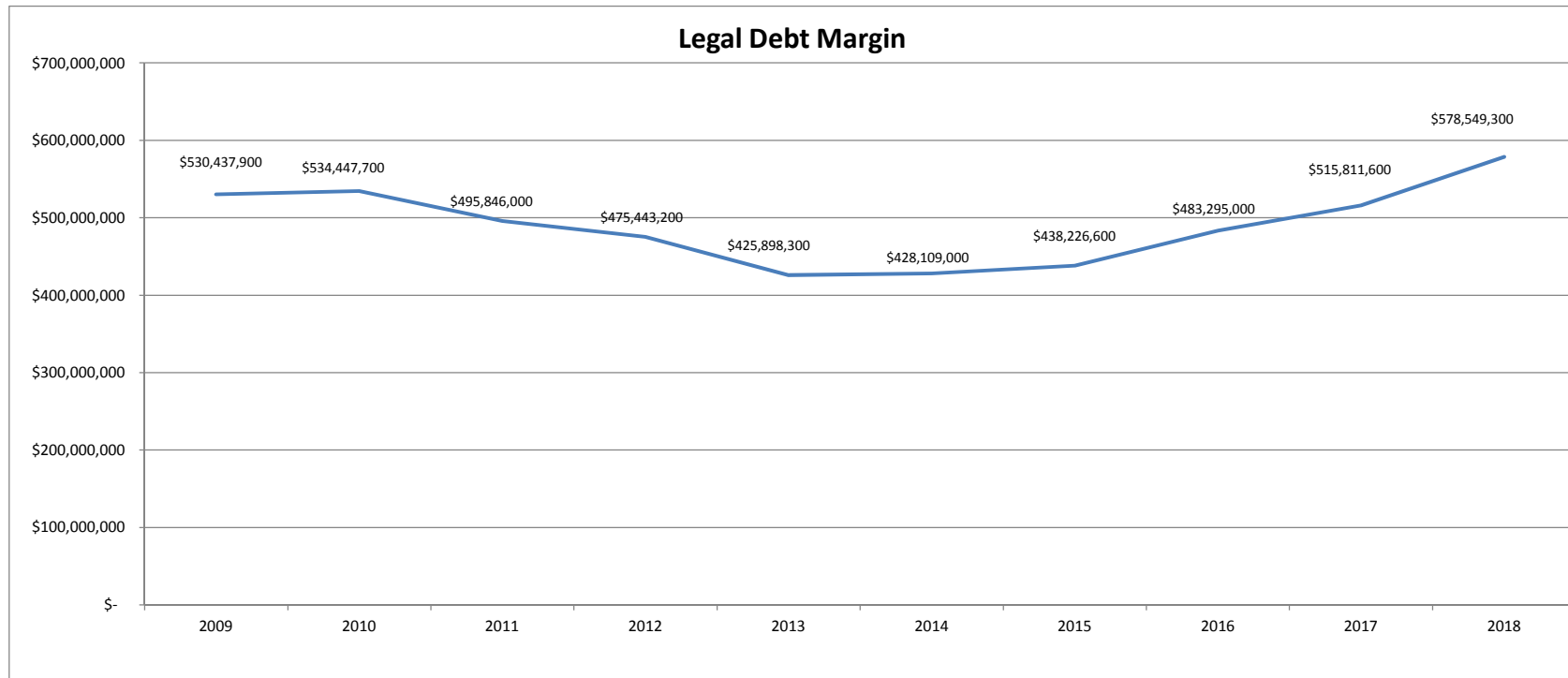
(b) Per the Peachtree City FY2017 CAFR online.

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Legal Debt Margin Calculation:										
Net Assessed Value of Property (amounts in \$1,000 increments)	\$ 5,304,379	\$ 5,344,477	\$ 4,958,460	\$ 4,754,432	\$ 4,258,983	\$ 4,281,090	\$ 4,382,266	\$ 4,832,950	\$ 5,158,116	\$ 5,785,493
Debt Limit (10% of Net Assessed Value) (amounts in \$1 increments)	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000	\$ 438,226,600	\$ 483,295,000	\$ 515,811,600	\$ 578,549,300
Less: Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Add: Debt Service Funds Available	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000	\$ 438,226,600	\$ 483,295,000	\$ 515,811,600	\$ 578,549,300
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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



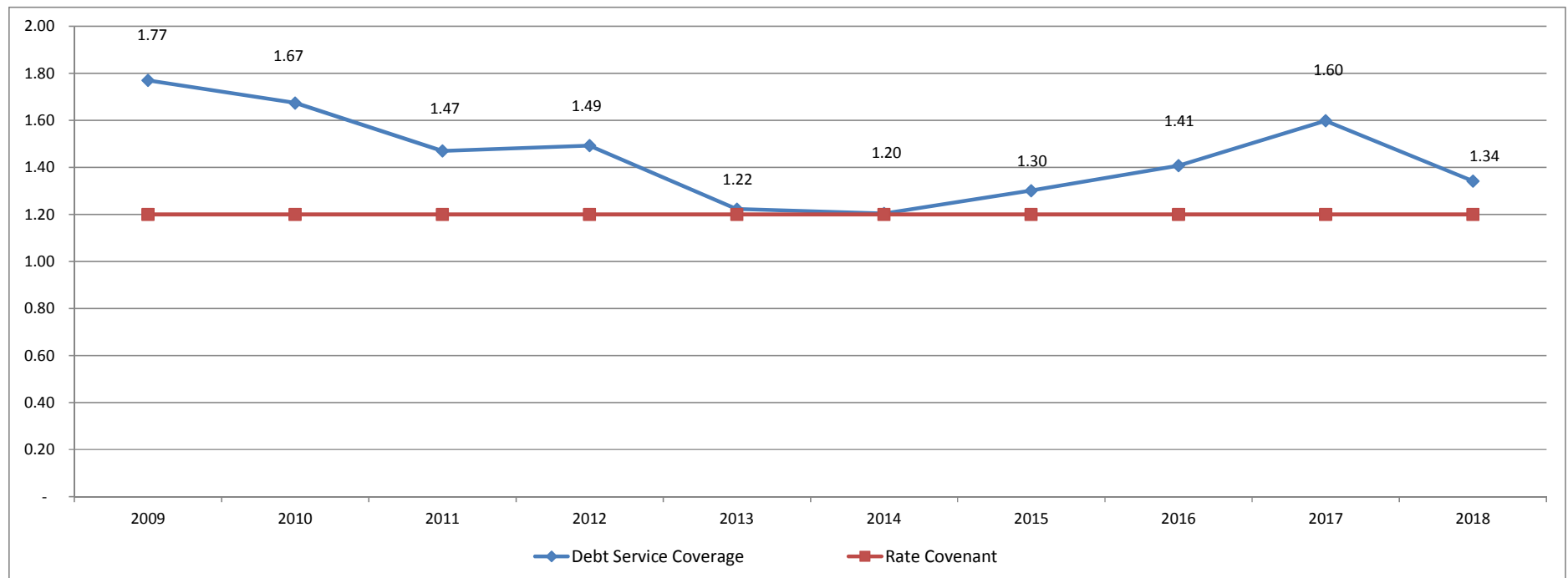
**Fayette County, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Gross Revenues (1)	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,297	\$ 15,271,737	\$ 15,846,990	\$ 16,962,742	\$ 15,931,846
Reasonable and Necessary Operating Costs (2)	6,045,049	6,060,856	6,466,224	6,450,737	6,856,701	6,904,142	8,006,078	8,107,713	8,657,944	8,662,466
Net Revenue Available for Debt Service (3)	6,446,258	7,283,398	7,822,843	8,120,129	7,133,188	6,771,155	7,265,659	7,739,277	8,304,798	7,269,380
Debt Service Payments	3,641,311	4,351,288	5,320,501	5,440,539	5,833,311	5,622,276	5,583,888	5,499,625	5,194,642	5,416,994
Coverage	1.77	1.67	1.47	1.49	1.22	1.20	1.30	1.41	1.60	1.34

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

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

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



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

Fiscal Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) Median Age	(4) School Enrollment*	(5) Unemployment Rate
2009	106,465	\$ 4,484,620,000	\$ 42,384	40	22,108	5.7%
2010	106,788	4,838,366,000	45,474	42	22,047	7.9%
2011	106,567	4,614,827,000	43,215	42	21,683	9.0%
2012	107,784	4,792,110,000	44,460	43	21,120	7.3%
2013	107,524	5,097,304,000	47,406	43	20,506	7.0%
2014	108,365	5,246,261,000	48,413	42	20,301	7.1%
2015	109,664	5,872,326,000	53,548	43	20,243	6.0%
2016	110,714	6,018,520,000	54,361	43	20,242	4.7%
2017	111,627	6,335,845,000	56,759	43	20,238	4.9%
2018	116,200	6,785,085,000	60,286	43	20,104	3.5%

(1) Source: Atlanta Regional Commission

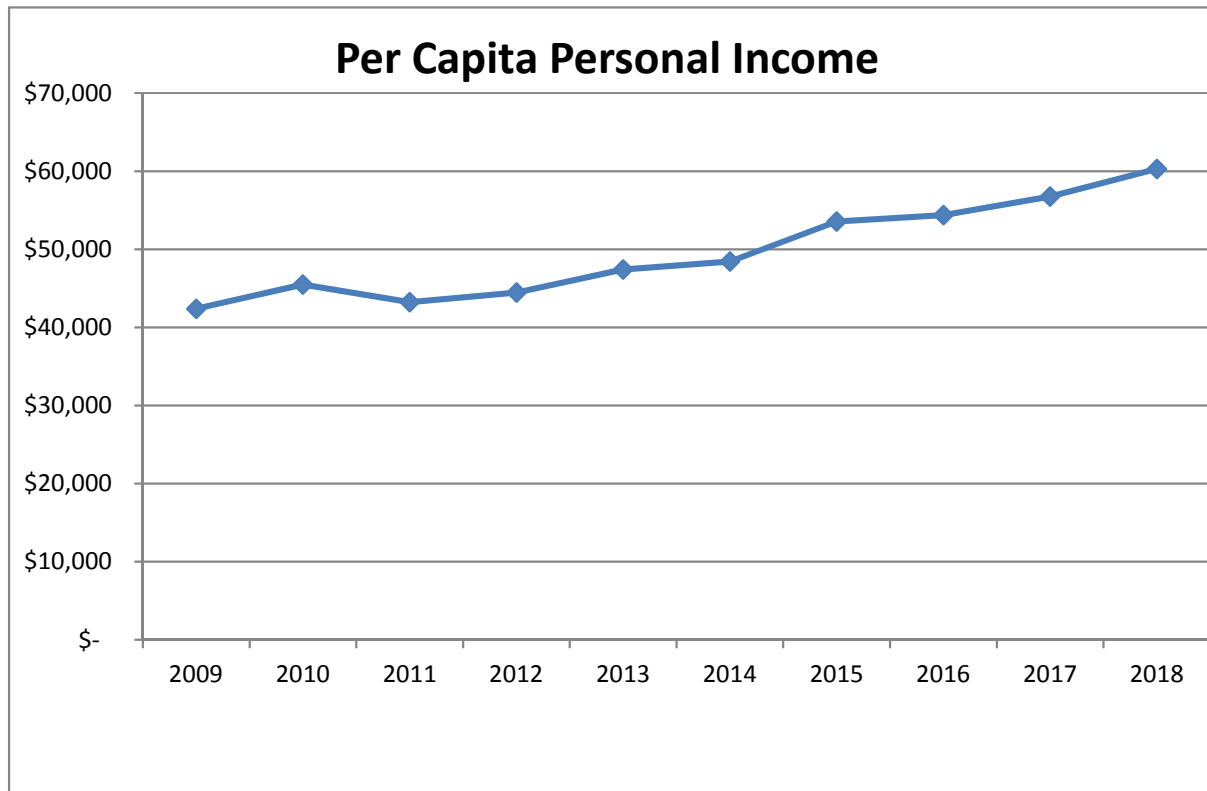
(2) Source: The Bureau of Economic Analysis

(3) Source: United States Census

(4) Source: Fayette County Board of Education

(5) Source: Georgia Department of Labor

*School enrollment reported for 2010 was corrected based on Fayette County Board of Education CAFR



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

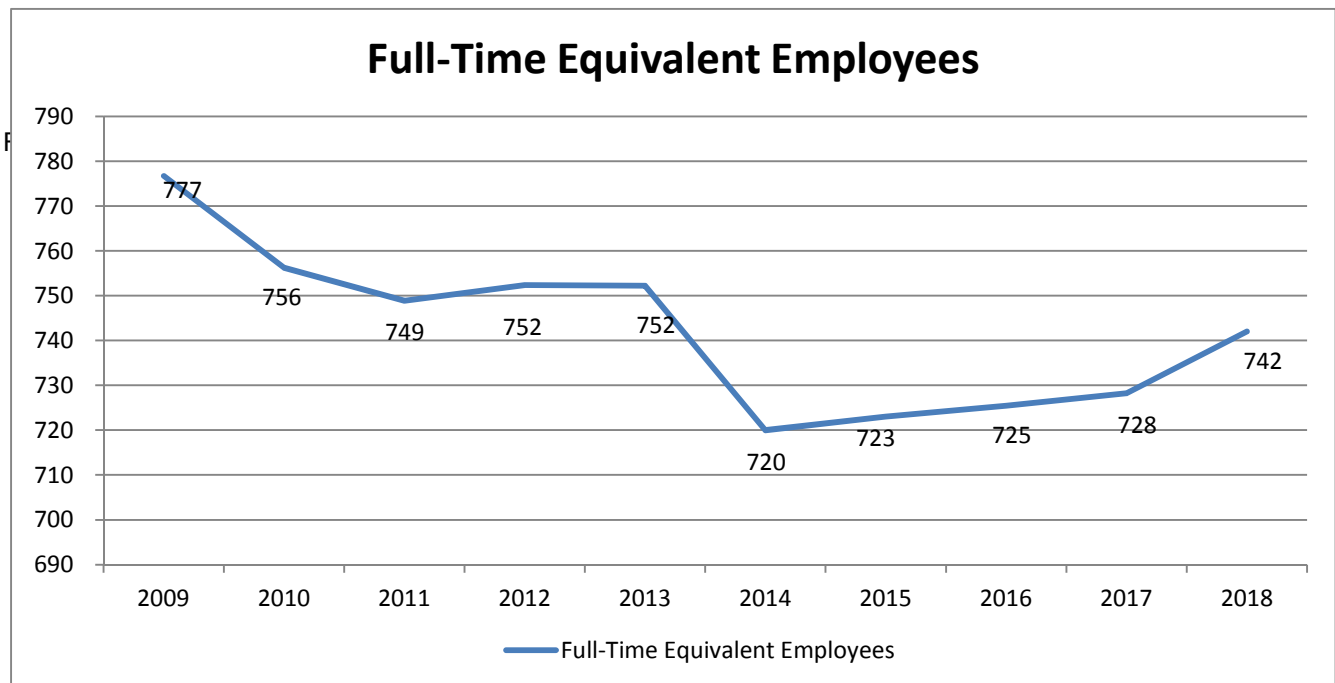
	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Private Employer						
Piedmont Fayette Hospital	1,700	1	3.10%	930	2	1.77%
Panasonic Automotive Systems Co.	1,000	2	1.82%	1,200	1	2.28%
Eaton Lighting Solutions	700	3	1.28%	-		0.00%
WalMart Supercenter	427	4	0.78%	-		0.00%
Hoshizaki America Inc.	400	5	0.73%	425	5	0.81%
WalMart	400	6	0.73%	-		0.00%
Ply Gem Industries Inc/Windows Division	250	7	0.46%	-		0.00%
Concordia Nursing & Rehab Center	210	8	0.38%	-		0.00%
Gerresheimer Peachtree City LP	208	9	0.38%	-		0.00%
Publix	200	10	0.36%	-		0.00%
Cooper Lighting				650	3	1.23%
NCR				550	4	1.04%
World Airways				275	6	0.52%
TDK Components				210	7	0.40%
APAC - Georgia				200	8	0.38%
FAA Tracon				190	9	0.36%
Alenco, Inc				181	10	0.34%
Total	5,495		10.01%	4,811		9.14%

Source: Fayette County Development Authority

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	124	113	111	112	112	104	106	104	104	105
Judicial System	58	56	56	59	59	56	56	56	56	59
Public Safety:										
Animal Control	7	7	7	5	5	5	6	6	7	7
Coroner	3	3	3	3	3	3	3	3	4	4
Emergency 911	36	36	36	36	36	36	36	35	35	36
Emergency Services	47	47	47	47	43	43	37	37	37	37
Fire	105	105	105	105	105	99	105	105	105	105
Marshal	12	11	11	11	11	-	-	-	-	-
Emergency Management	-	-	-	-	4	3	3	3	3	3
Sheriff	230	230	230	230	231	227	227	228	228	228
Total Public Safety	439	438	438	437	438	416	417	416	419	420
Public Works:										
Roads	51	48	45	45	45	43	43	44	44	46
Water System	63	62	61	61	61	65	63	66	66	69
Stormwater	-	5	5	5	5	5	5	7	7	8
Solid Waste Management	1	1	1	1	1	1	1	1	1	1
Total Public Works	115	116	112	112	112	114	112	118	118	124
Housing and Development	21	14	14	14	13	12	14	13	13	15
Culture and Recreation	19	18	17	18	18	18	18	18	18	19
Total	777	756	749	752	752	720	723	725	728	742

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



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

<u>FUNCTION</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government:										
Number of Registered Voters	75,967	75,448	76,980	79,710	73,572	80,001	83,295	84,827	83,511	84,021
Number of Parcels Assessed	42,479	42,479	42,479	42,134	42,179	42,325	42,328	42,493	42,920	43,407
Judicial System:										
State Cases	2,341	2,294	2,325	1,805	3,354	2,101	4,017	4,487	5,708	5,067
Superior Cases	872	887	900	513	3,347	3,981	5,133	4,791	4,559	5,007
Magistrate Cases	-	-	-	-	4,759	4,481	4,550	6,762	5,197	6,087
Firearms Licenses	937	1,342	1,472	1,903	2,936	2,301	2,527	3,010	3,019	3,012
Juvenile Cases Filed	1,961	1,379	1,379	1,108	1,105	1,022	1,229	1,039	1,019	872
Marriage Licenses	641	617	619	600	656	617	587	657	707	639
Real Estate Instruments Filed	18,449	18,800	18,800	16,236	19,942	21,214	15,525	17,833	18,885	18,166
Public Safety:										
Average Daily Jail Population	261	256	256	292	255	246	263	280	296	296
Fire/EMS Dispatch (1)	12,010	12,797	13,441	12,954	11,240	14,077	14,997	7,785	16,391	16,382
Law Enforcement Dispatch (1)	n/a	45,554	45,950	46,236	46,841	46,520	58,504	48,053	46,180	45,376
Public Works:										
Number of Vehicles Serviced	340	484	336	348	354	371	387	399	406	368
Street Maintenance (Miles)	687	576	529	528	529	530	520	522	559	556
Water Production (MGD))	8.5	7.8	7.8	8.7	8.4	7.9	8.1	9.4	10.3	95
Water System Customers	27,234	27,493	27,698	27,881	28,002	28,927	28,486	29,585	29,988	30,558
Housing and Development:										
Building Permits Issued	292	632	632	713	186	185	224	215	182	198
Culture and Recreation										
Monthly Circulation of Library Materials	26,832	55,181	42,400	53,601	27,681	35,306	28,525	22,000	26,439	29,297
Number of Programs and Classes Offered	398	497	497	549	619	802	581	534	458	373
Reference Questions Answered Monthly	8,145	10,417	11,436	2,594	2,925	2,984	3,266	3,268	8,036	8,094

Source: Fayette County Budget Document
Source: Department statistical data

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

<u>Function</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government:										
County Office Buildings	1	1	1	1	1	1	1	1	1	1
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
Judicial System:										
Justice Center	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Patrol Vehicles (1)	162	162	158	158	160	160	160	145	151	148
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works:										
Miles of County Maintained Roads	687.0	576.0	529.0	528.0	529.2	530.0	520.5	521.7	523.1	524.0
Miles of Road Resurfacing	26.2	26.2	25.0	33.2	14.1	12.9	16.1	18.2	30.5	31.8
Culture and Recreation										
Park Acreage	366	366	366	366	455	455	455	455	455	455
Parks	6	6	6	6	7	7	7	7	7	7
Multi-Purpose facility	1	1	1	1	1	1	1	1	1	1
Water System:										
Water Treatment Plant	2	2	2	2	2	2	2	2	2	2

Source: Fayette County Fixed Asset Records and Department Heads

Fayette County, Georgia
Schedule of Insurance Coverages
June 30, 2018

<u>Property Coverages</u>	<u>Amount In Force</u>
Property (1)	\$ 172,010,781
Other Equipment	15,403,976
Flood and Earthquake	5,000,000

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

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

Other Coverages

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

Self-Insured Risks

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