



FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019



FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

*Prepared by the
Fayette County Finance Department*



INTRODUCTORY SECTION

This Section Contains the Following Subsections:

TABLE OF CONTENTS

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING

LIST OF PRINCIPAL OFFICIALS

ORGANIZATIONAL CHART

SERVICE DELIVERY PRINCIPLES

MAPS

**Fayette County, Georgia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - iii
Letter of Transmittal.....	1 - 11
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	12
List of Principal Officials	13 - 14
Organizational Chart.....	15
Service Delivery Principles.....	16
Maps	17 - 18
 FINANCIAL SECTION	
Independent Auditor’s Report	19 - 21
Management’s Discussion and Analysis (MD&A)	22 - 39
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	40 - 41
Statement of Activities	42
Fund Financial Statements:	
Balance Sheet - Governmental Funds	43
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	44
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	45
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balances with the Statement of Activities.....	46
Statement of Net Position - Proprietary Funds.....	47 - 48
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	49
Statement of Cash Flows - Proprietary Funds.....	50 - 51
Statement of Fiduciary Funds Assets and Liabilities	52
Notes to the Financial Statements	53 - 99
Required Supplementary Information:	
General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	100 - 102
Fire Services Tax District Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	103

**Fayette County, Georgia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

TABLE OF CONTENTS

	<u>Page Number</u>
FINANCIAL SECTION (Continued)	
Required Supplementary Information:	
Schedule of Changes in the County’s Net Pension Liability (Asset) and Related Ratios	104
Schedule of County Contributions.....	105
Schedule of the Total OPEB Liability and Related Ratios	106
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet:	
Non-Major Governmental Funds	107
Non-Major Special Revenue Funds	108
Non-Major Capital Projects Funds.....	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances:	
Non-Major Governmental Funds	110
Non-Major Special Revenue Funds	111
Non-Major Capital Projects Funds.....	112
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Emergency 911 (E-911) Services Special Revenue Fund	113
Street Lights Special Revenue Fund	114
Emergency Medical Services Tax District Special Revenue Fund.....	115
Confiscated Assets Special Revenue Fund	116
Fine Surcharges Special Revenue Fund	117
Animal Control Sterilization Fund	118
County-Wide Roads SPLOST Capital Projects Fund	119
Unincorporated County Roads SPLOST Capital Projects Fund	120
2017 SPLOST Capital Projects Fund	121
Internal Service Funds:	
Combining Statement of Net Position.....	122
Combining Statement of Revenues, Expenses and Changes in Net Position.....	123
Combining Statement of Cash Flows.....	124 - 125
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities.....	126 – 127
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST):	
Roads and Bridges Purposes.....	128
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax :	
(2017 SPLOST) Stormwater, Transportation and Public Safety Purposes.....	129

**Fayette County, Georgia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION	
Financial Trends:	
Net Position by Component	131
Change in Net Position	132 - 133
Fund Balances of Governmental Funds.....	134
Changes in Fund Balances of Governmental Funds	135 – 136
Revenue Capacity:	
Property Tax Levies, Collections and Local Option Sales Tax Proceeds	137
Assessed Value and Estimated Actual Value of Taxable Property	138
Property Tax Rates - Direct and Overlapping Governments	139
Principal Property Taxpayers.....	140
Debt Capacity:	
Ratio of Outstanding Debt by Type	141
Direct and Overlapping Governmental Activities Debt.....	142
Legal Debt Margin Information	143
Pledged Revenue Coverage	144
Demographic and Economic Information:	
Demographic and Economic Statistics	145
Principal Employers	146
Operating Information:	
Full-Time Equivalent County Government Employees by Function.....	147
Operating Indicators by Function.....	148
Capital Asset Statistics by Function	149
Schedule of Insurance Coverages.....	150



December 27, 2019

Honorable Randy Ognio 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, 2019, 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, 2019, 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, 2019, 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 118,000 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 and a solid waste management system, 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 31,042 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 2018 Crime Statistics Report, the reported number of crimes within Fayette County was 1,929 compared to the average number of 16,071 reported by the ten counties within the Atlanta Regional Commission (ARC). Fayette was the second lowest of the ten counties with a 1.6% crime rate of the population. The average crime rate for the ten ARC counties was 3.3% of population. The ISO 3 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 17.9 percent of our population is over 65 years of age, which is about 6.2 percent higher than the average of the other Metro Counties. To help serve the medical needs of this older population, the Piedmont Fayette Hospital is a 282-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 2019 was 90.2 percent compared to a State-wide average of 82.0 percent. Of the Fayette County residents that have received their high school diploma, 46.7 percent obtained a bachelor's degree or higher. The 2019 average Scholastic Aptitude Test (SAT) scores for Fayette County students was 1140 and compares quite favorably to the National average of 1048. The American College Testing (ACT) scores reported were 23.5 for Fayette County, 21.4 for Georgia and 20.7 Nationwide. All five Fayette County high schools landed in the top 14 percent for ACT scores. Fayette is eighth in school district rankings in the state based on the 2018-2019 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 a 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 regarding financial activity in the second quarter of calendar year 2019 are highlighted in the following bullet points:

- Real gross domestic product (GDP) increased 2.0 percent in the second quarter of 2019;
- Disposable personal income increased 4.8 percent in the second quarter of 2019;
- Residential housing starts increased by 8.5 percent over 2018;
- U.S. International Trade Balance deficit increased 24.7 billion, or 5.4 percent, between September 2018 and September 2019.

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 second quarter 2019, as published by the Georgia Department of Labor, indicate that there were 45,425 residents employed in Fayette County. Many 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 2019 there were 3,593 industries located in Fayette County that produced 45,425 jobs. Of that total, 465 industries were labeled as "Goods Producing" and accounted for 8,079 jobs or 17.8 percent of the total. By far, the largest component was the "Service Providing" industries. That segment totaled 2,899 firms and represented 31,968 jobs or 70.4 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. The unemployment rate in the region remains stable. New construction continues to grow.

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 2019 tax digest of 7.6 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 June 2019, the rate for Fayette County was 3.5 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 will continue at an average rate of 3.7 percent in 2020;
- Gross Domestic Product (GDP) growth rate is expected to remain between 2 percent and 3 percent;
- Inflation will average 1.9 percent in 2020.

MAJOR INITIATIVES

Several significant projects were undertaken in fiscal year 2019. The largest of the Stormwater projects, the Emerald Lake Dam project, was completed in 2019. Another major Stormwater project that resulted from flooding in December of 2015, the Antebellum Way project, was also completed in 2019. Two notable public safety projects that were started in 2018 -- construction of a new Fire Station #4 and replacement of the county-wide public safety radio system -- continued into 2019. The new radio system will provide enhanced, state-of-the-art communication capability.

Several road/transportation projects were completed in 2019, including resurfacing of Palmetto Road and full depth reclamation of Dix-Lee-On Drive. Additionally, multiple vehicle and large equipment purchases were made to facilitate the county's operations.

Several other projects were completed during fiscal year 2019, including roof replacements at the library and Stonewall Complex. Other improvement projects completed include Kiwanis and McCurry Park light refurbishments, renovation of the Animal Control facility and refurbishment of the Stonewall Complex fountain.

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 \$887,185 for the 2019 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. As the projects are completed, FEMA and GEMA are expected to contribute 87.5%, or approximately \$1.7M, of the \$2.0M 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 over 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 increased by \$521,186. 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 March of this year. In the comment Moody's states "The credit position for Fayette County is very strong. Its Aaa rating is stronger than the US counties median of Aa2."

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 \$280,556,051 or 5.0 percent from January 1, 2017 to January 1, 2018. The increase from January 1, 2018 to January 1, 2019 was \$449,405,947 or 7.6 percent. These increases in property values, as well as strong retail sales, indicate the continued strength of the 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 51.58 percent to 52.44 percent in the amount allocated to local governments in calendar year 2019, returning the county's distribution to 7.44 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 FY2019, the Board of Commissioners adopted cost saving initiatives that discontinued deficit budgeting without any impact to service delivery. The FY2020 budget, adopted June 27, 2019, did not include a rollback of the maintenance and operations General Fund millage rate. The additional funds were used to fund a County initiative for retention of Public Safety personnel by improving pay and retirement benefits. The Board again demonstrates a long-term commitment to fiscal conservatism and efficiency while maintaining an outstanding level of customer service to its citizens.

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 2020 adopted budget, \$3,129,798 is projected to come from the Assigned CIP General Fund Balance to fund projects, \$432,178 is projected to come from Fire Services fund balance, and \$28,000 is projected to come from Emergency Medical Services (EMS) fund balance. Water System Projects total \$1,830,000. 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 2020, the Contingency projects accounts included the following: \$361,608 in General Fund Projects Contingency, \$170,900 in Special Revenue Funds Projects Contingency and \$93,903 in Recreation Projects Contingency. In FY2020, 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, the Emerald Lake Dam project, was completed in FY2019 at a total cost of \$2,995,984. Emerald Lake Dam is a GA Safe Dams Program Cat 2 Structure located predominantly in Fayette County right-of-way. Construction was begun on several other Stormwater projects in FY2019. One of the most notable was the Old Senoia Road project that entailed replacement of three 96" metal pipes that failed during the December 2015 flooding event.

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 \$3,002,203 on all investments of the Governmental and Proprietary Fund-Types for the year ended June 30, 2019. The significant increase over the prior year's earnings of \$776,288 was due to improved market conditions resulting in significant increases in realized and unrealized gains as opposed to losses in the prior year. 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, 2019, 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, 2018. The County has received this award for each of the last twenty-six 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 2019. This represents the twenty-second consecutive year that the County has received this 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,



Steve A. Rapson
County Administrator



Sheryl L. Weinmann
Interim 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, 2018

Christopher P. Morrill

Executive Director/CEO

**Fayette County, Georgia
List of Principal Officials
June 30, 2019**

Elected County Officers

Board of Commissioners:

District 1	Eric K. Maxwell
District 2, Chairman	Randy C. Ognio
District 3	Edward Gibbons
District 4	Charles D. Rousseau
District 5-At-Large, Vice-Chair	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

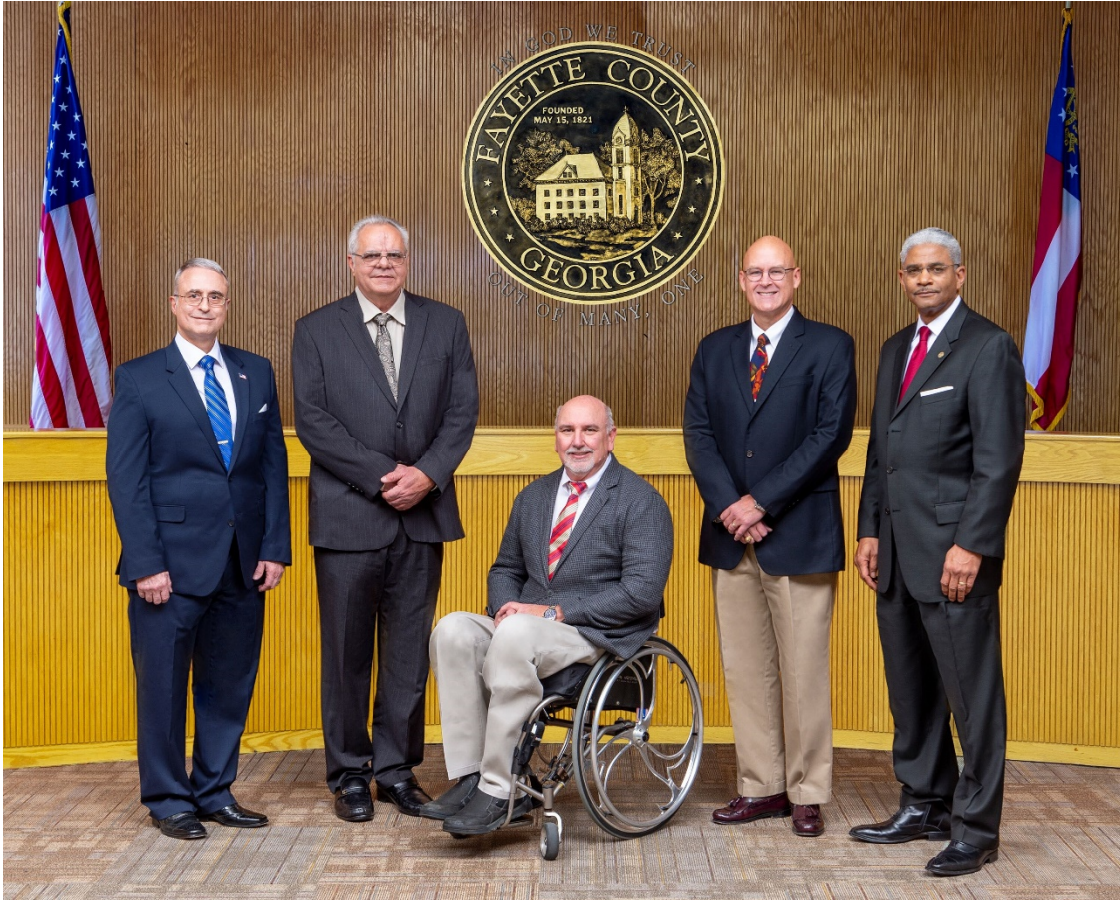
Principal Officials

County Administrator.....	Steven A. Rapson, CPA
County Attorney.....	Dennis A. 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	Katye Vogt
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.....	Vanessa Tigert

Special Services Providers

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

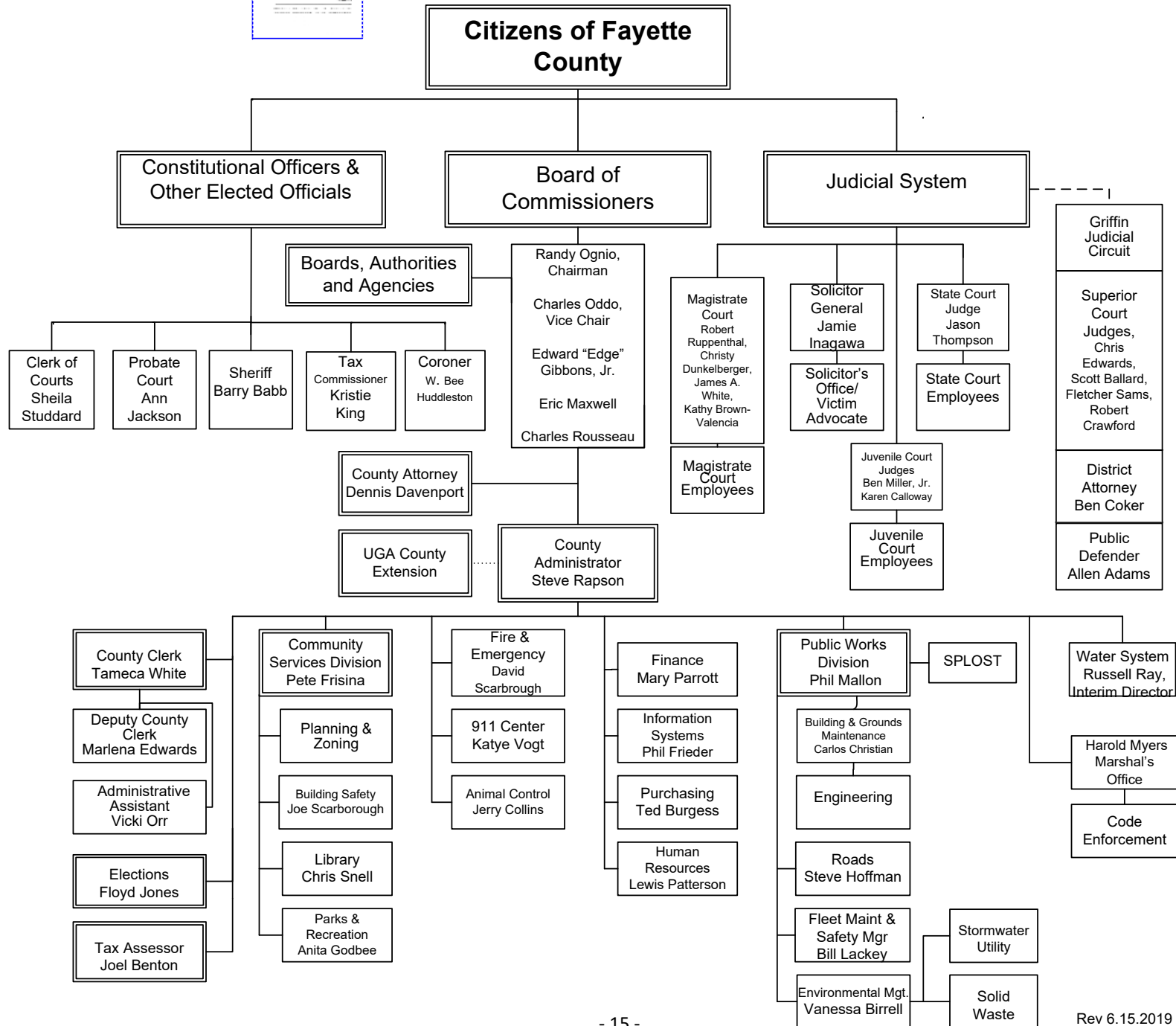
**Fayette County, Georgia
Board of Commissioners
Fiscal Year Ended June 30, 2019**



left to right: Charles W. Oddo, Randy Ognio, Eric K. Maxwell, Edward Gibbons, 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 FY2019 Organizational Chart



**Fayette County, Georgia
Service Delivery Principles
Fiscal Year Ended June 30, 2019**

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

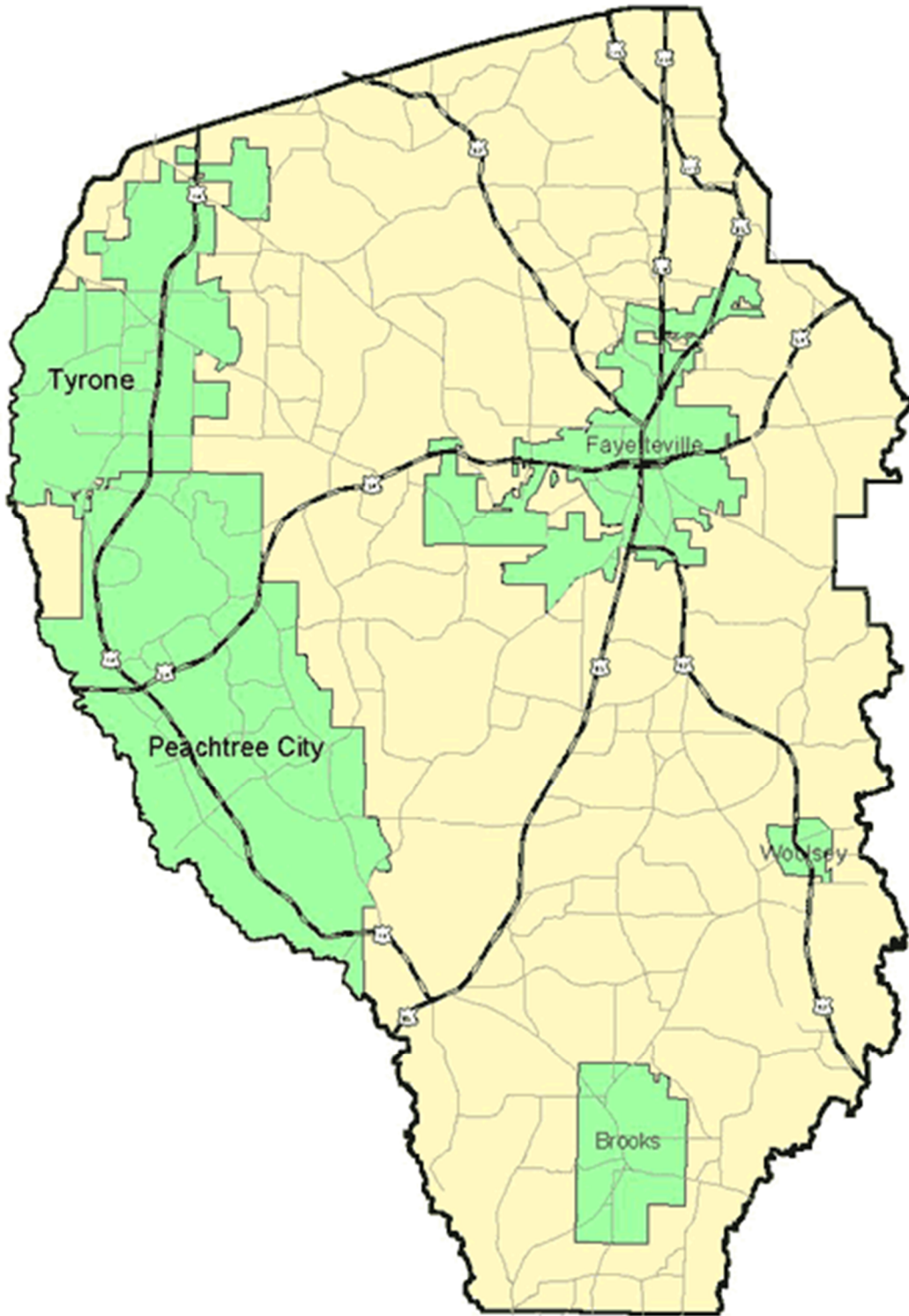

Commissioner Charles Rousseau

Fayette County, Georgia
Map of Metropolitan Atlanta Area
Fiscal Year Ended June 30, 2019



Fayette County

Fayette County, Georgia
Jurisdiction and Road Map of Fayette County
Fiscal Year Ended June 30, 2019





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, 2019, 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, 2019, 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.

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 27, 2019 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.

Richels, Cauley + Associates, LLC

Atlanta, Georgia
December 27, 2019

Fayette County, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

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, 2019. 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 and Deferred Outflows of Resources* of Fayette County, Georgia exceeded its *Liabilities and Deferred Inflows of Resources* at June 30, 2019 by \$292,117,539 (*Net Position*). Of this amount, \$38,531,635 (*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, 2019 increased by \$18,955,862, or 6.94%, over FY2018. This increase in Total Net Position is due to an increase in revenues of 6.34%, and a decrease in expenditures of 1.65%.
- At the close of the current fiscal year, the County's Governmental Funds reported combined ending fund balances of \$100,521,694. This amount represented an increase of \$10,447,703 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 the 2004 and 2017 SPLOST projects.
- At the end of the current fiscal year, the Unassigned Fund Balance for the General Fund was \$3,947,061. This amount represented about 8.11% of the total of the General Fund's Expenditures and Operating Transfers Out for the 2019 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 \$13,727,248.
- Fayette County's total long-term debt decreased \$6,836,772 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 deferred outflows of resources and liabilities and deferred inflows of resources, 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 and Solid Waste 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 twelve (12) 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 and Solid Waste 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 two *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 being identified as a non-major fund in the headers of the 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 through 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 129 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* and *Deferred Outflows of Resources* exceeded *Liabilities* and *Deferred Inflows of Resources* by \$292,117,539 at the close of the most recent fiscal year. The condensed financial information for Fayette County, Georgia’s *Net Position* as of June 30, 2019 and 2018 is presented in the following table.

FAYETTE COUNTY, GEORGIA'S NET POSITION						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Current and Other Assets	\$ 108,208,022	\$ 102,491,953	\$ 20,260,084	\$ 19,472,812	\$ 128,468,106	\$ 121,964,765
Capital Assets (Net)	<u>128,130,716</u>	<u>120,925,314</u>	<u>104,925,451</u>	<u>107,755,971</u>	<u>233,056,167</u>	<u>228,681,285</u>
Total Assets	<u>236,338,738</u>	<u>223,417,267</u>	<u>125,185,535</u>	<u>127,228,783</u>	<u>361,524,273</u>	<u>350,646,050</u>
Deferred Outflows of Resources	<u>9,971,461</u>	<u>7,483,318</u>	<u>2,150,058</u>	<u>2,083,323</u>	<u>12,121,519</u>	<u>9,566,641</u>
Long-Term Liabilities Outstanding	33,836,614	32,296,723	33,933,479	37,958,842	67,770,093	70,255,565
Other Liabilities	<u>6,398,213</u>	<u>7,469,679</u>	<u>6,436,445</u>	<u>5,938,927</u>	<u>12,834,658</u>	<u>13,408,606</u>
Total Liabilities	<u>40,234,827</u>	<u>39,766,402</u>	<u>40,369,924</u>	<u>43,897,769</u>	<u>80,604,751</u>	<u>83,664,171</u>
Deferred Inflows of Resources	<u>829,464</u>	<u>3,069,790</u>	<u>94,038</u>	<u>317,053</u>	<u>923,502</u>	<u>3,386,843</u>
Net Investment in Capital Assets	100,663,452	91,754,046	68,697,953	67,569,842	169,361,405	159,323,888
Restricted	63,202,729	53,497,841	21,021,770	19,173,457	84,224,499	72,671,298
Unrestricted	<u>41,379,727</u>	<u>42,812,506</u>	<u>(2,848,092)</u>	<u>(1,646,015)</u>	<u>38,531,635</u>	<u>41,166,491</u>
Total Net Position	<u>\$ 205,245,908</u>	<u>\$ 188,064,393</u>	<u>\$ 86,871,631</u>	<u>\$ 85,097,284</u>	<u>\$ 292,117,539</u>	<u>\$ 273,161,677</u>

As indicated by the tabular information on the previous page, the largest portion of the County's *Net Position* (i.e., 57.98% 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 \$233,056,167 in *Capital Assets* (net of accumulated depreciation) that are owned by the County represents 64.46 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.

The \$4.4M increase in the Capital Assets, Net of Accumulated Depreciation, is due to a \$3.2M increase in Construction in Progress and a \$1.6M increase in Vehicles, Machinery and Equipment, including \$380k for a Road Department Gradall and \$734k for Fire Department breathing apparatus.

FY2019 is the first year that the Deferred Outflows and Inflows related to OPEB have been included in the Statement of Net Position. Deferred Outflows related to Pensions increased by \$2.9M, largely due to the Changes in Assumptions and the variance between projected and actual earnings on the plan's investments. Deferred Inflows related to Pensions decreased by \$2.5M, due to changes in the actual experiences for trend information that was previously assumed.

Noncurrent liabilities decreased by \$2.5M, or 3.54%, largely due to payments of principal on the Water System's Revenue Bonds. Current liabilities decreased by \$573,948, or 4.28%, mainly due to a decrease in Accounts Payable for Governmental Activities of \$1.0M.

In reviewing the other components of the County's *Net Position*, *Restricted Net Position* was \$84,224,499 which translates into 28.83 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 \$63,202,729 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 \$21,021,770 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 \$41,379,727 and represents 20.16 percent of the total Governmental *Net Position*, compared to 14.16 percent for FY2019

Total Primary Government. This \$1,432,779 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, 2019 and 2018. As indicated by the information in the table, the Net Position for the fiscal year ended June 30, 2019 increased by \$18,955,862.

FAYETTE COUNTY, GEORGIA'S CHANGES IN NET POSITION						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 11,706,117	\$ 11,829,159	\$ 16,192,217	\$ 16,003,723	\$ 27,898,334	\$ 27,832,882
Operating Grants & Contributions	974,425	1,068,044	-	-	974,425	1,068,044
Capital Grants & Contributions	3,650,391	2,112,443	1,369,102	1,242,681	5,019,493	3,355,124
General Revenues:						
Property Taxes	41,980,635	39,824,105	-	-	41,980,635	39,824,105
Sales Taxes	39,645,008	37,756,182	-	-	39,645,008	37,756,182
Other Taxes	3,874,719	3,728,125	-	-	3,874,719	3,728,125
Unrestricted Investment Earnings	1,368,932	351,280	327,590	172,097	1,696,522	523,377
Gain on Disposal of Capital Assets	-	29,057	5,065	(10,058)	5,065	18,999
Miscellaneous Revenues	447,105	290,604	108,260	-	555,365	290,604
Total Revenues	<u>103,647,332</u>	<u>96,988,999</u>	<u>18,002,234</u>	<u>17,408,443</u>	<u>121,649,566</u>	<u>114,397,442</u>
Expenses:						
General Government	9,945,149	9,492,940	-	-	9,945,149	9,492,940
Judicial System	7,459,103	7,249,775	-	-	7,459,103	7,249,775
Public Safety	39,066,557	38,921,791	-	-	39,066,557	38,921,791
Public Works	23,533,884	21,756,478	-	-	23,533,884	21,756,478
Health & Welfare	854,317	850,264	-	-	854,317	850,264
Culture & Recreation	2,700,241	2,765,542	-	-	2,700,241	2,765,542
Housing & Development	1,476,980	1,360,513	-	-	1,476,980	1,360,513
Interest & Fiscal Charges	1,429,586	1,487,876	-	-	1,429,586	1,487,876
Water System	-	-	15,906,962	17,987,474	15,906,962	17,987,474
Solid Waste	-	-	320,925	243,983	320,925	243,983
Stormwater Utility	-	-	-	285,093	-	285,093
Total Expenses	<u>86,465,817</u>	<u>83,885,179</u>	<u>16,227,887</u>	<u>18,516,550</u>	<u>102,693,704</u>	<u>102,401,729</u>
Increase (Decrease) in Net Position Before Transfers	17,181,515	13,103,820	1,774,347	(1,108,107)	18,955,862	11,995,713
Transfers	-	1,540,034	-	(1,540,034)	-	-
Increase (Decrease) in Net Position	17,181,515	14,643,854	1,774,347	(2,648,141)	18,955,862	11,995,713
Net Position - Beginning	<u>188,064,393</u>	<u>173,420,539</u>	<u>85,097,284</u>	<u>87,745,425</u>	<u>273,161,677</u>	<u>261,165,964</u>
Net Position - Ending	<u>\$ 205,245,908</u>	<u>\$ 188,064,393</u>	<u>\$ 86,871,631</u>	<u>\$ 85,097,284</u>	<u>\$ 292,117,539</u>	<u>\$ 273,161,677</u>

Total Primary Government. Based on the FY2019 Net Position, this net increase of \$18,955,862 for the fiscal year ended June 30, 2019. Of the \$19M increase, \$17.2M increase was attributable to the *Governmental Activities* and \$1.8M was attributable to the Business-Type Activities.

In comparing the operating results between the two fiscal years, \$18,955,862 vs. \$9,995,713, this swing of the \$8,960,149 change between FY2019 and FY2018, increased revenues accounted for \$7.3M along with a decrease in expenditures of \$292,000 reflects the variance of \$7.6M. The more significant points are noted below:

Revenues:

- Property Taxes increased \$2.2M. This increase was largely attributable to new construction and strong property values.
- Sales Tax Revenues increased \$1.8M. This is due to continued strength of the economy and therefore new businesses locating within the County.
- Grants and Contributions (Operating and Capital) increased by a total of approximately \$1.6M, the majority of which was Capital Grants in Governmental Activities.
- Investment Earnings increased by \$1.0M due to prudent investment policy

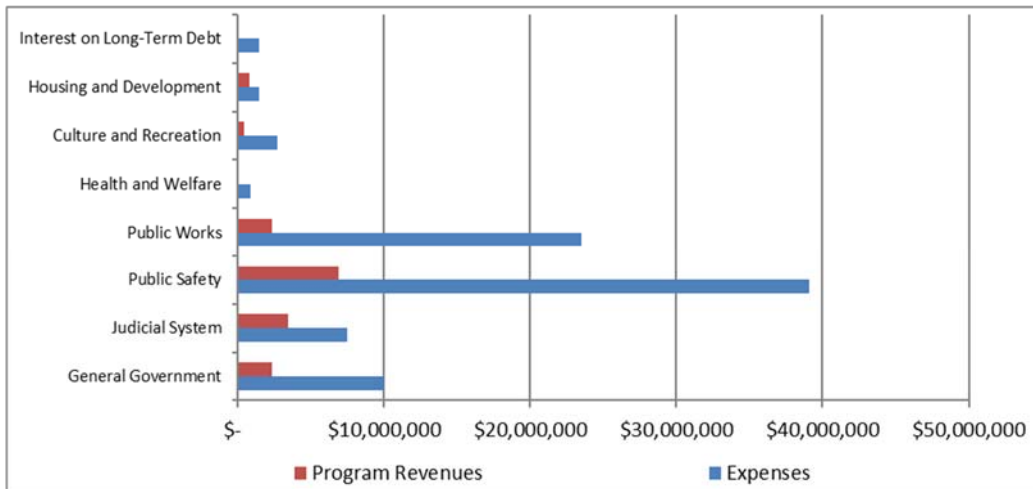
Expenses:

- The decrease in expenses, year over year, is primarily based upon Water System's \$2.0M one-time payment in FY2018 made to Peachtree City for improvements to the Lake Peachtree Spillway.
- Governmental Activities' expenses remained relatively stable for FY2019.
- Stormwater Utility expenses decreased because the fund was eliminated in FY2018.

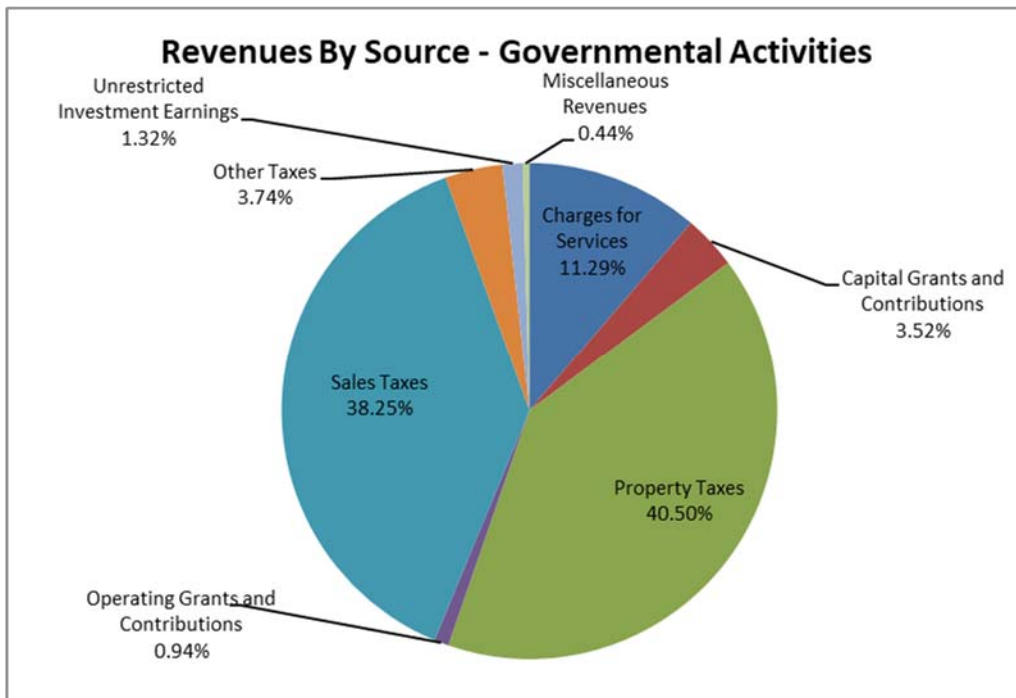
The following chart shows the relationship of functional expenses and the related program revenues that are generated to offset some of the expense of providing that service. Out of the \$86,465,817 in Total Governmental Activities Expenses for the 2019 fiscal year, \$16,330,933 is covered by Program Revenues. The remaining functional expenses of \$70,134,884 are funded through General Revenues such as taxes and interest income.

Functional Expenses and Program Revenues – Governmental Activities

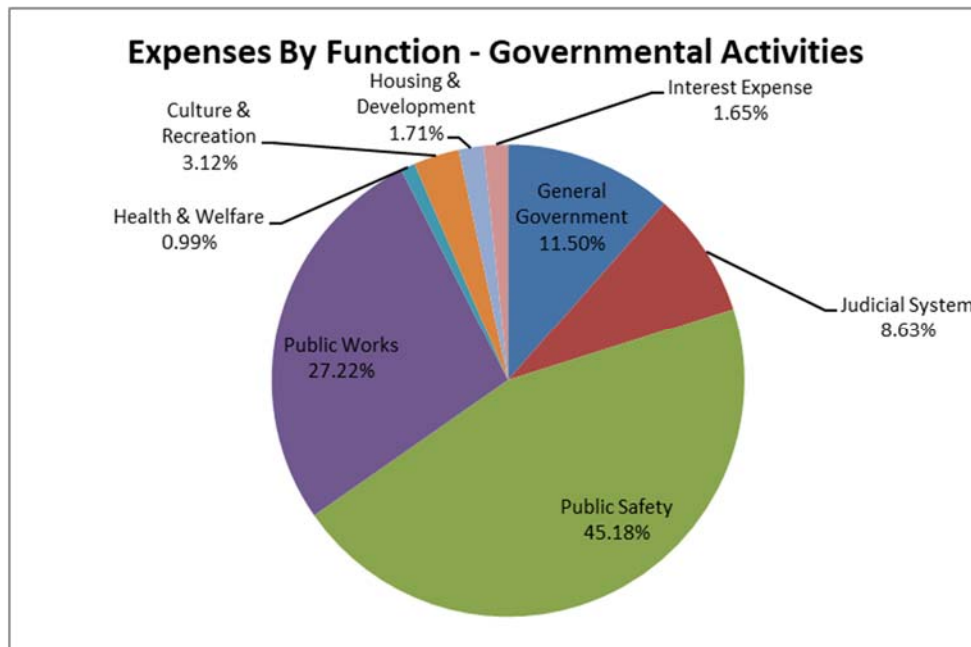
As with any government, management attempts to achieve the right mix between revenue sources and services. While the intrinsic nature of certain services, such as recreational programs and building inspections, lends themselves to the assessment of user fees to offset the cost of delivering that service; 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, 2019. 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 increase in Net Position for the fiscal year ended June 30, 2019 of \$1,774,347 was attributable to the *Business-Type Activities*. In comparing the operating results between the two fiscal years, the key elements are discussed below:

- A decrease in expenses was primarily based upon Water System’s \$2.0M one-time payment in FY2018 made to Peachtree City for improvements to the Lake Peachtree Spillway.

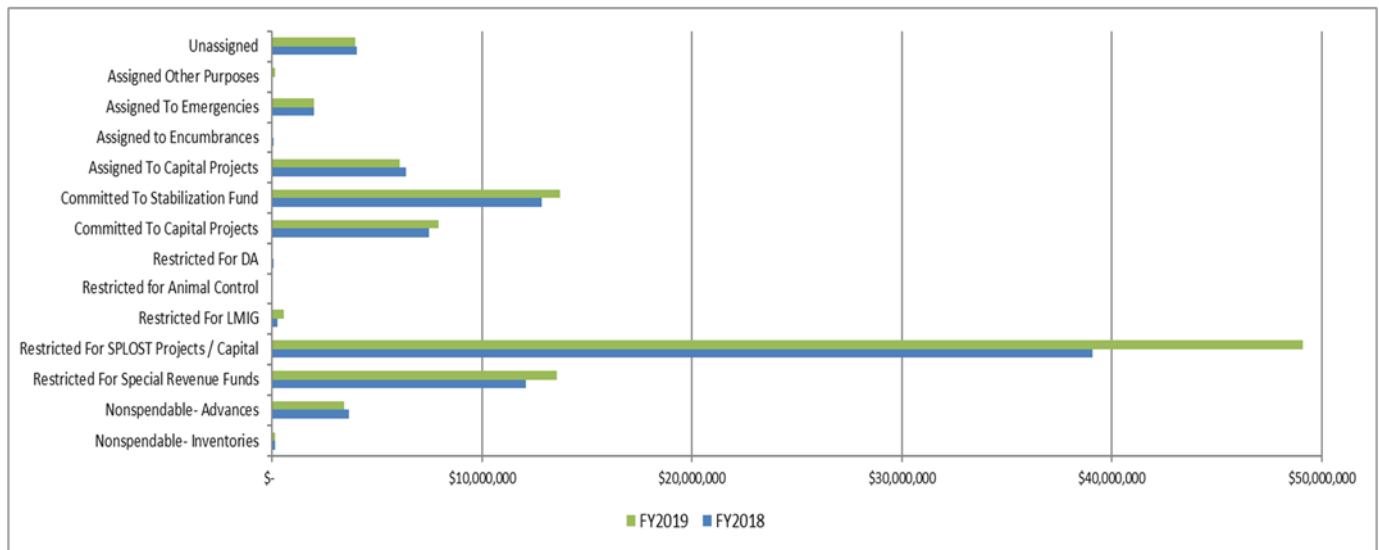
FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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, 2019 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 2019 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, 2019, Fayette County’s *Governmental Funds* reported combined ending fund balances of \$100,521,694 an increase of \$12,447,703 or about 14.13% percent in comparison with the previous fiscal year. There are specific spending patterns and budgetary decisions that are responsible for the net increase. First, the fund balances of the two 2017 SPLOST Capital Projects Funds increased by a total of \$7,541,098 during the period. This was due, in large part, by the collections of approximately \$12.2M for Fayette County SPLOST projects and related expenses. FY2019 was the second year that the additional 1% Special Purpose Local Option Sales Tax was collected since its approval in March 2017. The fund balances of the two 2004 SPLOST Road Capital Projects increased by \$2,569,174 due largely to interest income and a restriction to fund balance of \$2.0M. 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, a decrease in the fund balance for these two 2004 SPLOST Capital Projects Funds is expected until the remaining funds of \$31,197,086 are exhausted.

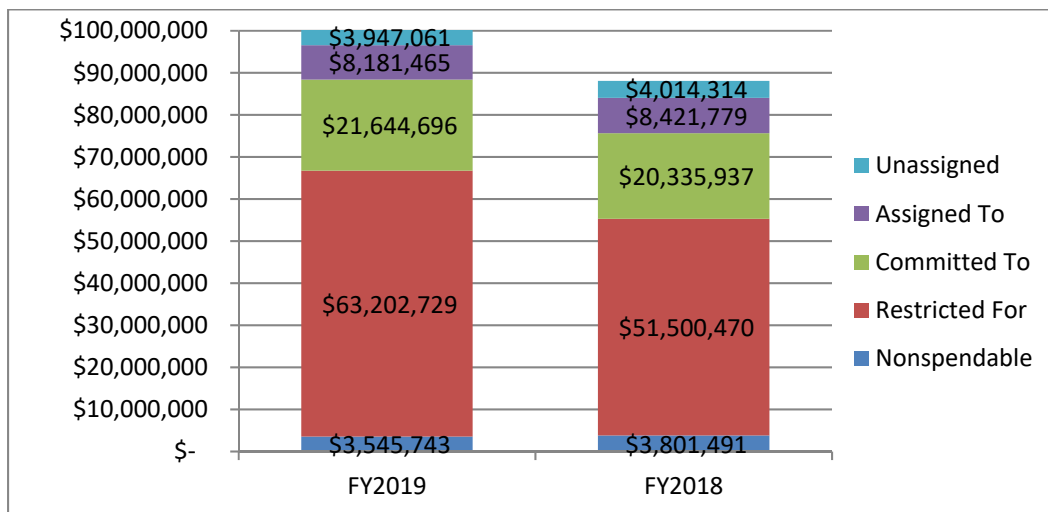
On March 21, 2017, the Fayette County citizens approved an additional 1% sales tax for the approved list of projects presented as part of the 2017 SPLOST referendum. This additional 1% sales tax began on July 1, 2017 and will continue to be disbursed to the municipalities in Fayette County based upon 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 fiscal years 2017, 2018, and 2019, which is why the 2017 SPLOST is separated as an individual fund in the FY2019 financials. The two accounts of the 2017 SPLOST funding have a balance of \$18,004,724 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 \$3,731,546, along with the net transfers in/out of (\$3.21M) increased fund balance by approximately \$521k. These transfers were used to provide funding for the 2019 Capital Improvement and Construction projects budget.

To gather a good understanding of the availability for appropriation in future periods or the “spendability” of the \$100,521,694 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, \$3,545,743 or 3.53% of the total is reported in the “*Nonspendable*” category. Of this \$3.5M, \$131,787 represents inventories that are considered current assets but are not in a spendable form. The remaining \$3,413,956 is categorized as Advances to Stormwater projects in the 2017 SPLOST 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 \$63,202,729 and comprises 62.87% 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., \$14,000,919) 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., \$49,201,810) which are restricted by referendum to specific construction / capital expenditures.

The aggregate amount for the “*Committed To*” category is \$21,644,696 and comprises 21.53% 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., \$7,917,448) which represents monies that the Board of Commissioners has committed to specific capital improvements, and a Stabilization Fund (\$13,727,248) 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 \$8,181,465 or about 8.14% 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 (\$6,060,754). There were also \$120,711 of encumbrances included in the “Assigned To” category.

The final component is the *Unassigned Fund Balance* for the General Fund. At June 30, 2019, the balance was \$3,947,061 which comprises 3.93% 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, 2019 and 2018 the *Total Fund Balance* of the General Fund was \$29,940,689 and \$29,419,503, respectively. The net change in the fund balance during the 2019 fiscal year was an increase of \$521,186 or 1.77%, compared to last year’s fund balance \$900k increase. This variance includes an increase in revenues of \$2.0 million, an increase in expenditures of \$107k and an increase in other financing uses of \$2.2M from the previous fiscal year.

FY2019 and FY2018 revenues are \$52,377,079 and \$50,407,313, respectively. The variance, year over year, is approximately \$2.0 million. On the revenue side, the growth in the tax digest for Fayette County added \$1.3M in property taxes, while investment earnings increased by \$780k.

FY2019 expenditures of \$48,645,533 and FY2018 expenditures of \$48,538,143 varied, year over year, by an increase of \$107,390. The breakdown below shows the major increases/decreases of General Fund functions:

- General Government \$446k
- Culture and Recreation \$183k
- Housing and Development \$96k
- Judicial System \$81k
- Public Safety (\$329k)
- Public Works (\$376k)

The remaining variance, year over year, in other financing uses increased by approximately \$2.2M, which includes an increase in capital project transfers. This increase in the capital project transfer is largely due to an increase in transfers to CIP projects.

At June 30, 2019 and 2018, the *Unassigned Fund Balance* was \$3,947,061 and \$4,014,383, respectively representing a decrease of \$67,322 or (1.68)%.

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, 2019, *Unassigned Fund Balance* represents 8.11 percent of total General Fund expenditures; while *Total Fund Balance* represents 61.55 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 \$4,475,668 at June 30, 2019, which represents an increase from the prior year of \$385,551 or 9.43%. The increase in fund balance can be traced to a decrease in transfers related to capital projects. In measuring liquidity, *Total Fund Balance* for the Fire Services Fund represents 48.0% percent of its FY 2019 expenditures.

County-Wide Roads 2004 SPLOST: The County-Wide Roads SPLOST Capital Projects Fund has a total fund balance of \$31,098,822 at June 30, 2019, which represents an increase from the prior year of \$2,569,174 or 9.01%. The primary reasons for the increase in fund balance are interest income and adjustments of projects in the Restricted Fund Balance of \$2.0M. Though there was an increase in Fund Balance this year, a 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 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, 2019, the fund balance is \$18,004,724 which is a \$7,541,098 increase over last fiscal year. This is largely due to SPLOST collections of \$12.2M for Fayette County projects and expenses related to those projects of approximately \$5.0M.

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 two *Proprietary Funds* was \$86,882,285 at June 30, 2019 which represented an increase of \$1,785,001 from the previous year.

The *Unrestricted Net Position* of the Water System Enterprise Fund was (\$2,870,525) at June 30, 2019 which represented a decrease of \$1,082,096 compared to the previous year. The primary reason for this decrease was the restriction for FY2019 Capital Improvement project expenses of \$2.17M and an increase in interest income.

The Total *Net Position* for the Water System was \$86,678,981 at June 30, 2019 which represents an increase of \$1,917,489 during the 2019 fiscal year while Solid Waste's Net Position decreased by (\$143,142) to \$192,650.

General Fund Budget

During Fiscal Year 2019, there was a net decrease of \$478,345 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:

- The decrease was due to encumbering \$701k of LMIG 2019 grants funds to FY2020.
- Offsets to this \$701k decrease, include:
 - Projects closed and moved to Maintenance and Operations totaling \$104k
 - FY2018 encumbrances carried forward to FY2019 totaling \$63k
 - An increase in donations of approximately \$22k

On the revenue side (not including other funding sources) the change in FY2019 was an increase of \$113,665. Besides the net effect of various minor budget adjustments, the major components of the revenue change are as follows:

- An increase of \$69,315 in grants funds for LMIG9 and Emergency Management. The 2019 LMIG received additional funds of \$62,185 during the year, due to re-appropriation by GDOT, and received more funding than originally anticipated.
- An increase in the revenue budget related to donations for the Library, Recreation, and Animal Control totaling \$42,350.

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, 2019, amounts to \$233,056,167 (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, 2019 and 2018.

FAYETTE COUNTY, GEORGIA'S CAPITAL ASSETS (Net of Depreciation)						
General Classification	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Land	\$ 15,361,484	\$ 15,134,936	\$ 20,718,888	\$ 20,718,888	\$ 36,080,372	\$ 35,853,824
Buildings and Structures	47,118,608	45,187,843	27,997,125	30,189,665	75,115,733	75,377,508
Infrastructure	28,417,202	27,965,837	45,379,616	45,787,727	73,796,818	73,753,564
Improvements Other than						
Buildings	5,411,335	5,140,656	4,860,032	5,582,415	10,271,367	10,723,071
Machinery and Equipment	12,427,754	10,659,247	3,737,677	3,893,501	16,165,431	14,552,748
Construction in Progress	19,394,333	16,836,795	2,232,113	1,583,775	21,626,446	18,420,570
Total Capital Assets	\$ 128,130,716	\$ 120,925,314	\$ 104,925,451	\$ 107,755,971	\$ 233,056,167	\$ 228,681,285

The total increase in the County's investment in capital assets for the current fiscal year was \$4,374,882 or 1.91%. This increase can be broken down into an increase of \$7,205,402 or 5.96% for the governmental activities and a decrease of \$2,830,520 or (2.63) % for the business-type activities.

The increase in investment in capital assets for Governmental Activities is primarily attributable to capitalization of several projects within CIP as well as a significant increase in Construction in Progress. Although there was a slight increase in Construction in Progress in Business-Type Activities, depreciation and retirement of assets resulted in an overall decrease in investment in capital assets.

Additional information on Fayette County's capital assets is provided in Note III. C. which can be found on pages 74 through 75 of this report.

Long-Term Debt. At the end of the current fiscal year, Fayette County had total bonded debt outstanding of \$63,260,000. This total represents a decrease of \$5,900,000 from the prior year. All of the outstanding bonds are revenue bonds which are secured by specified revenue sources. The bond debt as of June 30, 2019 and 2018 is shown in the following table.

FAYETTE COUNTY'S OUTSTANDING REVENUE BOND DEBT						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2019	FY2018	FY 2019	FY2018	FY 2019	FY2018
Revenue Bonds	\$27,800,000	\$29,750,000	\$35,460,000	\$39,410,000	\$63,260,000	\$69,160,000

The \$27,800,000 of debt shown in the Governmental Activities column represents the Fayette County Public Facilities Authority Revenue Bonds which were issued to construct the Criminal Justice Center and jail. The outstanding bonds are secured by a lease agreement with the County in which the annual installment payments on the purchase of the Criminal Justice Center and jail are equal to the annual debt service payments. At the original issue, the Public Facilities Authority Revenue Bonds received a rating of "Aa1" from Moody's Investors Service and a rating of "AA+" from Standard and Poor's.

The \$35,460,000 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 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 March of this year. In the comment Moody’s states “The credit position for Fayette County is very strong. Its Aaa rating is stronger than the US counties median of Aa2.”

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 77 through 83 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 2019 was 3.7 percent which represented a decrease of 0.3 percent from the June 2018 rate of 4.0 percent. Similarly, the jobless rate for the State of Georgia in June 2019 was 3.7 percent which was down 0.4 percent from the previous June. Fayette County’s unemployment rate was 3.5 percent which is comparable to both the state and the national average.
- Gross Domestic Product (GDP) growth rate is expected to remain between 2 percent and 3 percent;
- According to the Georgia Department of Revenue, the Net Maintenance and Operation (M&O) Tax Digest for Fayette County increased by \$280,556,051 or 5.0 percent from January 1, 2017 to January 1, 2018. The increase from January 1, 2018 to January 1, 2019 was \$449,405,947 or 7.6 percent.

These economic factors were taken into consideration when preparing the County’s budget for the 2020 fiscal year.

Next Year's Budget and Rates

During the current fiscal year, the *Unassigned Fund Balance* in the General Fund decreased, by \$67,253, from \$4,014,314 to \$3,947,061. For the upcoming 2020 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. As part of the FY2020 budget process, there was no rollback of the General Fund maintenance & operations millage rate.

The millage rates adopted for the various tax-supported Governmental Funds for fiscal years 2019 and 2020 are shown in the following table. A reduction to the General Fund maintenance and operations millage rate for the 2019 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>	<u>MILLAGE RATES</u>		<u>NET CHANGE</u>	
	<u>FY2020</u>	<u>FY2019</u>	<u>AMOUNT</u>	<u>PERCENT</u>
General Fund (M&O)	4.392	4.392	0.000	0.00%
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	8.128	0.000	0.00%

For the 2020 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



FAYETTE *County*
Create Your Story!

BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Statement of Net Position
June 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 52,475,034	\$ 1,057,313	\$ 53,532,347	\$ 1,308,898	\$ 1,388,263
Restricted	828,001	16,939,649	17,767,650	-	-
Investments	47,083,902	-	47,083,902	-	692,726
Receivables (net of allowance for uncollectibles)	7,660,738	1,712,922	9,373,660	7,308	167,167
Inventories	131,787	533,617	665,404	-	-
Prepaid items	28,560	16,583	45,143	1,204	-
Capital assets not being depreciated	34,755,817	22,951,001	57,706,818	-	-
Capital assets, net of accumulated depreciation	<u>93,374,899</u>	<u>81,974,450</u>	<u>175,349,349</u>	<u>183,772</u>	<u>17,432</u>
Total assets	<u>236,338,738</u>	<u>125,185,535</u>	<u>361,524,273</u>	<u>1,501,182</u>	<u>2,265,588</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	7,992,377	906,439	8,898,816	-	290,198
Deferred outflows related to OPEB	23,889	2,537	26,426	-	218,520
Deferred charges on bond refunding	<u>1,955,195</u>	<u>1,241,082</u>	<u>3,196,277</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>9,971,461</u>	<u>2,150,058</u>	<u>12,121,519</u>	<u>-</u>	<u>508,718</u>

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

Fayette County, Georgia
Statement of Net Position
June 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
LIABILITIES					
Accounts payable	1,934,629	1,571,332	3,505,961	17,101	50,269
Claims payable	685,241	-	685,241		
Salaries and benefits payable	911,040	89,054	1,000,094	3,630	-
Unearned revenue	22,443	196,000	218,443	5,647	-
Accrued interest payable	97,776	309,745	407,521	-	-
Noncurrent liabilities:				-	-
Due within one year -					
Long-term obligations	2,747,084	4,270,314	7,017,398	-	42,444
Due in more than one year:					
Long-term obligations	29,548,858	33,407,058	62,955,916	-	85,126
Landfill closure and postclosure	-	44,707	44,707	-	-
Net pension liability	3,652,992	414,296	4,067,288	-	905,455
Total OPEB liability	634,764	67,418	702,182	-	460,030
Total liabilities	<u>40,234,827</u>	<u>40,369,924</u>	<u>80,604,751</u>	<u>26,378</u>	<u>1,543,324</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	824,747	93,537	918,284	-	37,452
Deferred inflows related to OPEB	<u>4,717</u>	<u>501</u>	<u>5,218</u>	<u>-</u>	<u>296,926</u>
Total deferred inflows of resources	<u>829,464</u>	<u>94,038</u>	<u>923,502</u>	<u>-</u>	<u>334,378</u>
NET POSITION					
Net investment in capital assets	100,663,452	68,697,953	169,361,405	183,772	17,432
Restricted for:					
Highways and streets	49,740,982	-	49,740,982	-	-
Special tax district services	6,336,241	-	6,336,241	-	-
Other purposes	7,125,506	-	7,125,506	-	807,936
Debt service	-	9,089,712	9,089,712	-	-
Renewal and extension	-	11,932,058	11,932,058	-	-
Unrestricted	<u>41,379,727</u>	<u>(2,848,092)</u>	<u>38,531,635</u>	<u>1,291,032</u>	<u>71,236</u>
Total net position	<u>\$ 205,245,908</u>	<u>\$ 86,871,631</u>	<u>\$ 292,117,539</u>	<u>\$ 1,474,804</u>	<u>\$ 896,604</u>

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

Fayette County, Georgia
Balance Sheet
Governmental Funds
June 30, 2019

	General	Fire Services	2017 SPLOST	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 5,865,051	\$ 4,602,356	\$ 19,289,009	\$ 3,822,974	\$ 16,349,775	\$ 49,929,165
Investments	19,785,242	-	-	27,298,660	-	47,083,902
Receivables, net	2,698,575	145,106	2,638,647	54,758	1,128,894	6,665,980
Advances to other funds	3,413,956	-	-	-	-	3,413,956
Inventories	131,787	-	-	-	-	131,787
Total assets	<u>\$ 31,894,611</u>	<u>\$ 4,747,462</u>	<u>\$ 21,927,656</u>	<u>\$ 31,176,392</u>	<u>\$ 17,478,669</u>	<u>\$ 107,224,790</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 983,011	\$ 13,394	\$ 508,976	\$ 77,570	\$ 343,141	\$ 1,926,092
Salary and benefits payable	652,894	163,959	-	-	94,187	911,040
Advances from other funds	-	-	3,413,956	-	-	3,413,956
Unearned revenue	22,443	-	-	-	-	22,443
Total liabilities	<u>1,658,348</u>	<u>177,353</u>	<u>3,922,932</u>	<u>77,570</u>	<u>437,328</u>	<u>6,273,531</u>
Deferred inflows of resources -						
Unavailable revenue	295,574	94,441	-	-	39,550	429,565
Fund balances:						
Nonspendable	3,545,743	-	-	-	-	3,545,743
Restricted	539,172	4,475,668	18,004,724	31,098,822	9,084,343	63,202,729
Committed	13,727,248	-	-	-	7,917,448	21,644,696
Assigned	8,181,465	-	-	-	-	8,181,465
Unassigned	3,947,061	-	-	-	-	3,947,061
Total fund balances	<u>29,940,689</u>	<u>4,475,668</u>	<u>18,004,724</u>	<u>31,098,822</u>	<u>17,001,791</u>	<u>100,521,694</u>
Total liabilities and fund balances	<u>\$ 31,894,611</u>	<u>\$ 4,747,462</u>	<u>\$ 21,927,656</u>	<u>\$ 31,176,392</u>	<u>\$ 17,478,669</u>	<u>\$ 107,224,790</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, 2019

Total fund balances - Governmental Funds \$ 100,521,694

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. 128,130,716

Prepaid expenses are reported on the consumption method and therefore are not reported in the Governmental Funds. 28,560

Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources relate to the County's pension plan and OPEB plan. 8,016,266

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. 429,565

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	11,055,958	
Less: Capital assets (included above)	<u>(7,982,108)</u>	3,073,850

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	(27,800,000)	
Deferred charges on refunding	1,955,195	
Bond premium	(873,759)	
Compensated absences	(2,920,789)	
Early termination benefits	(100,394)	
Accrued interest	(97,776)	
Net pension liability	(3,652,992)	
Total OPEB liability	<u>(634,764)</u>	(34,125,279)

Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds. These deferred inflows of resources relate to the County's pension plan and OPEB plan. (829,464)

Total net position - Governmental Activities \$ 205,245,908

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, 2019

	General	Fire Services	2017 SPLOST	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes:						
Property	\$ 30,307,560	\$ 8,322,905	\$ -	\$ -	\$ 3,290,420	\$ 41,920,885
Sales	12,969,423	-	26,675,585	-	-	39,645,008
Other	735,278	3,134,756	-	-	4,685	3,874,719
Licenses and permits	802,854	-	-	-	-	802,854
Intergovernmental	1,456,553	54,469	830,137	99,531	1,039,774	3,480,464
Charges for services	3,258,695	159,173	-	-	4,759,252	8,177,120
Fines and forfeitures	1,420,479	-	-	-	1,063,048	2,483,527
Investment earnings	996,204	84,739	344,578	961,100	200,356	2,586,977
Contributions and donations	48,890	17,700	-	-	-	66,590
Miscellaneous revenues	381,143	55,869	613	-	24,180	461,805
Total revenues	<u>52,377,079</u>	<u>11,829,611</u>	<u>27,850,913</u>	<u>1,060,631</u>	<u>10,381,715</u>	<u>103,499,949</u>
EXPENDITURES:						
Current:						
General government	9,039,035	-	-	-	-	9,039,035
Judicial system	5,641,243	-	-	-	1,015,536	6,656,779
Public safety	19,995,957	9,324,993	-	-	7,075,253	36,396,203
Public works	6,020,563	-	-	-	572,091	6,592,654
Health and welfare	846,421	-	-	-	-	846,421
Culture and recreation	2,402,562	-	-	-	-	2,402,562
Housing and development	1,436,446	-	-	-	-	1,436,446
Debt service:						
Principal retirement	1,950,000	-	-	-	-	1,950,000
Interest and fiscal charges	1,313,306	-	-	-	-	1,313,306
Capital outlay	-	-	6,120,965	491,457	4,206,532	10,818,954
Intergovernmental	-	-	14,188,850	-	-	14,188,850
Total expenditures	<u>48,645,533</u>	<u>9,324,993</u>	<u>20,309,815</u>	<u>491,457</u>	<u>12,869,412</u>	<u>91,641,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,731,546</u>	<u>2,504,618</u>	<u>7,541,098</u>	<u>569,174</u>	<u>(2,487,697)</u>	<u>11,858,739</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	152,343	96,803	-	-	4,432,537	4,681,683
Transfers out	(3,442,114)	(2,220,870)	-	-	(514,146)	(6,177,130)
Sale of capital assets	79,411	5,000	-	-	-	84,411
Total other financing sources (uses)	<u>(3,210,360)</u>	<u>(2,119,067)</u>	<u>-</u>	<u>-</u>	<u>3,918,391</u>	<u>(1,411,036)</u>
Net change in fund balance	521,186	385,551	7,541,098	569,174	1,430,694	10,447,703
Fund balance, beginning of year, as restated	<u>29,419,503</u>	<u>4,090,117</u>	<u>10,463,626</u>	<u>30,529,648</u>	<u>15,571,097</u>	<u>90,073,991</u>
Fund balance, end of year	<u>\$ 29,940,689</u>	<u>\$ 4,475,668</u>	<u>\$ 18,004,724</u>	<u>\$ 31,098,822</u>	<u>\$ 17,001,791</u>	<u>\$ 100,521,694</u>

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

Fayette County, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
with the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net change in fund balances - total Governmental Funds \$ 10,447,703

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 capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 13,052,954	
Depreciation expense	<u>(6,853,866)</u>	6,199,088

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. (329,716)

Prepaid expenses are reported on the purchases method in Governmental Funds but are reported as consumed in the Statement of Net Position (76)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. 59,750

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	1,950,000	
Amortization of deferred charges	(177,745)	
Amortization of bond premium	<u>79,449</u>	1,851,704

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	(145,462)	
Change in early termination benefits	46,190	
Change in accrued interest payable	6,181	
Change in pension expense	(1,526,997)	
Change in OPEB expense	<u>58,743</u>	(1,561,345)

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. 514,407

Change in net position of Governmental Activities \$ 17,181,515

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

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Other Enterprise Fund		
		Solid Waste	Total	
ASSETS				
Current assets:				
Cash and cash equivalents:				
Unrestricted	\$ 990,503	\$ 66,810	\$ 1,057,313	\$ 2,364,083
Restricted	16,939,649	-	16,939,649	828,001
Cash with fiscal agent	-	-	-	181,786
Accounts receivable, net	1,705,556	7,366	1,712,922	994,758
Inventories	533,617	-	533,617	-
Prepaid items	16,583	-	16,583	-
Total current assets	<u>20,185,908</u>	<u>74,176</u>	<u>20,260,084</u>	<u>4,368,628</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	22,839,148	111,853	22,951,001	-
Depreciable, net	81,916,086	58,364	81,974,450	7,982,108
Total capital assets	<u>104,755,234</u>	<u>170,217</u>	<u>104,925,451</u>	<u>7,982,108</u>
Total assets	<u>124,941,142</u>	<u>244,393</u>	<u>125,185,535</u>	<u>12,350,736</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	892,032	14,407	906,439	-
Related to OPEB	2,508	29	2,537	-
Deferred charges on refundings	1,241,082	-	1,241,082	-
Total deferred outflows of resources	<u>2,135,622</u>	<u>14,436</u>	<u>2,150,058</u>	<u>-</u>

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

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Other Enterprise Fund		
		Solid Waste	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	1,562,389	8,943	1,571,332	8,537
Claims payable	-	-	-	685,241
Salaries and benefits payable	87,913	1,141	89,054	-
Compensated absences	59,909	405	60,314	-
Unearned revenue	196,000	-	196,000	-
Accrued interest payable	309,745	-	309,745	-
Revenue bonds payable - current	4,210,000	-	4,210,000	-
Total current liabilities	<u>6,425,956</u>	<u>10,489</u>	<u>6,436,445</u>	<u>693,778</u>
Noncurrent liabilities:				
Compensated absences	149,646	2,133	151,779	-
Certificates of participation	-	-	-	601,000
Bonds payable (net of discounts and premiums)	33,255,279	-	33,255,279	-
Landfill closure & postclosure	-	44,707	44,707	-
Net pension liability	407,711	6,585	414,296	-
Total OPEB liability	<u>66,646</u>	<u>772</u>	<u>67,418</u>	<u>-</u>
	<u>33,879,282</u>	<u>54,197</u>	<u>33,933,479</u>	<u>601,000</u>
Total liabilities	<u>40,305,238</u>	<u>64,686</u>	<u>40,369,924</u>	<u>1,294,778</u>
DEFERRED INTFLOWS OF RESOURCES				
Related to pensions	92,050	1,487	93,537	-
Related to OPEB	495	6	501	-
Total deferred outflows of resources	<u>92,545</u>	<u>1,493</u>	<u>94,038</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	68,527,736	170,217	68,697,953	7,381,108
Restricted for:				
Debt service	9,089,712	-	9,089,712	-
Renewal and construction	11,932,058	-	11,932,058	-
Unrestricted	(2,870,525)	22,433	(2,848,092)	3,674,850
Total net position	<u>\$ 86,678,981</u>	<u>\$ 192,650</u>	<u>\$ 86,871,631</u>	<u>\$ 11,055,958</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, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Other Enterprise Fund		
		Solid Waste	Total	
Operating Revenues:				
Charges for sales and services:				
Water sales	\$ 16,115,719	\$ -	\$ 16,115,719	\$ -
Solid waste fees	-	76,498	76,498	-
Other services	-	-	-	9,632,883
Miscellaneous	-	108,260	108,260	-
Total operating revenues	<u>16,115,719</u>	<u>184,758</u>	<u>16,300,477</u>	<u>9,632,883</u>
Operating Expenses:				
Costs of sales and services	5,793,542	304,739	6,098,281	8,941,429
Administration	2,991,265	-	2,991,265	610,872
Depreciation	5,828,305	16,186	5,844,491	1,154,698
Total operating expenses	<u>14,613,112</u>	<u>320,925</u>	<u>14,934,037</u>	<u>10,706,999</u>
Operating income (loss)	<u>1,502,607</u>	<u>(136,167)</u>	<u>1,366,440</u>	<u>(1,074,116)</u>
Nonoperating Revenues (Expenses):				
Interest income	327,590	-	327,590	87,633
Interest expense	(1,289,042)	-	(1,289,042)	(24,165)
Gain (loss) on disposal of capital assets	13,975	(8,910)	5,065	29,608
Other expense	(4,808)	-	(4,808)	-
Total nonoperating revenues (expenses)	<u>(952,285)</u>	<u>(8,910)</u>	<u>(961,195)</u>	<u>93,076</u>
Income (loss) before contributions and transfers	550,322	(145,077)	405,245	(981,040)
Capital contributions	1,367,167	1,935	1,369,102	-
Transfers in	-	-	-	1,535,447
Transfers out	-	-	-	(40,000)
Change in net position	<u>1,917,489</u>	<u>(143,142)</u>	<u>1,774,347</u>	<u>514,407</u>
Total net position - beginning	<u>84,761,492</u>	<u>335,792</u>	<u>85,097,284</u>	<u>10,541,551</u>
Total net position - ending	<u>\$ 86,678,981</u>	<u>\$ 192,650</u>	<u>\$ 86,871,631</u>	<u>\$ 11,055,958</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, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Other Enterprise Fund Solid Waste	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 16,052,129	\$ 77,347	\$ 16,129,476	\$ 1,825,509
Receipts from interfund services provided	-	-	-	7,508,800
Payments to suppliers	(4,863,111)	(126,725)	(4,989,836)	(9,652,189)
Payments to employees	(3,574,119)	(59,612)	(3,633,731)	-
Net cash provided (used) by operating activities	7,614,899	(108,990)	7,505,909	(317,880)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in from other funds	-	-	-	1,535,447
Transfers out to other funds	-	-	-	(40,000)
Net cash provided (used) by noncapital financing activities	-	-	-	1,495,447
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on revenue bonds	(3,950,000)	-	(3,950,000)	-
Interest paid on revenue bonds	(1,340,975)	-	(1,340,975)	-
Bond issuance costs	(4,808)	-	(4,808)	-
Interest paid on certificates of participation	-	-	-	(24,165)
Acquisition and construction of capital assets	(1,662,251)	-	(1,662,251)	(2,590,894)
Proceeds from sale of capital assets	22,447	-	22,447	136,232
Net cash used by capital and related financing activities	(6,935,587)	-	(6,935,587)	(2,478,827)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	327,590	-	327,590	87,633
Net cash provided by investing activities	327,590	-	327,590	87,633
Net increase (decrease) in cash and cash equivalents	1,006,902	(108,990)	897,912	(1,213,627)
Cash and cash equivalents at beginning of year	16,923,250	175,800	17,099,050	4,587,497
Cash and cash equivalents at end of year	\$ 17,930,152	\$ 66,810	\$ 17,996,962	\$ 3,373,870

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, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Other Enterprise Fund		
		Solid Waste	Total	
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,502,607	\$ (136,167)	\$ 1,366,440	\$ (1,074,116)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	5,828,305	16,186	5,844,491	1,154,698
Decrease (increase) in:				
Accounts receivable	(162,890)	849	(162,041)	(298,574)
Inventory	(28,205)	-	(28,205)	-
Prepaid items	(8,127)	-	(8,127)	102,511
Deferred outflows of resources	(304,884)	(5,283)	(310,167)	
Increase (decrease) in:				
Accounts payable	198,997	1,901	200,898	(1,588)
Claims payable	-	-	-	(200,811)
Salaries and benefits payable	4,480	157	4,637	-
Compensated absences	(2,823)	(199)	(3,022)	-
Unearned revenue	99,300	-	99,300	-
Landfill closure & postclosure	-	5,327	5,327	-
Net pension liability	712,001	11,308	723,309	-
Total OPEB liability	(3,867)	(49)	(3,916)	-
Deferred inflows of resources	(219,995)	(3,020)	(223,015)	-
Total adjustments	6,112,292	27,177	6,139,469	756,236
Net cash provided (used) by operating activities	\$ 7,614,899	\$ (108,990)	\$ 7,505,909	\$ (317,880)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets	\$ 1,367,167	\$ 1,935	\$ 1,369,102	\$ -

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

Fayette County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 5,495,703
Taxes receivable	<u>2,695,851</u>
Total assets	<u>\$ 8,191,554</u>
 LIABILITIES	
Due to others	<u>\$ 8,191,554</u>
Total liabilities	<u>\$ 8,191,554</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, 2019

NOTE INDEX

- I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 - A. Reporting Entity
 - B. Government-Wide and Fund Financial Statements
 - C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
 - D. Overview of Accounting Structure and Fund Purposes
 - E. Assets, Liabilities and Equity

- II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
 - A. Budgetary Information
 - B. Debt Service and Sinking Fund Requirements on Water Revenue Bonds

- III. DETAILED NOTES ON ALL FUNDS
 - A. Cash, Cash Equivalents and Investments
 - B. Receivables
 - C. Capital Assets
 - D. Interfund Receivables, Payables and Transfers
 - E. Closure and Postclosure Care Cost
 - F. Long-Term Obligations
 - G. Net Investment in Capital Assets
 - H. Fund Balance Classifications

- IV. OTHER INFORMATION
 - A. Risk Management
 - B. Encumbrances
 - C. Other Post Employment Benefits (OPEB)
 - D. Employees' Pension Plans
 - E. Defined Contribution Plan
 - F. Contingent Liabilities
 - G. Joint Venture
 - H. Capital Contributions
 - I. Tax Abatements
 - J. Restatement of Beginning Balances
 - K. Subsequent Events

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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
Notes to the Financial Statements
June 30, 2019

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
Notes to the Financial Statements
June 30, 2019

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
June 30, 2019

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 31,000 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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 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 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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 and Solid Waste are examples of this type of fund and represent business-type activities.

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

- Tax Commissioner: To account for the billing, collection and remittance of taxes to the County, Board of Education 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2018. 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 15, 2018, 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, 2019, 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 \$936,000 in billed customer receivables. In addition, a receivable of approximately \$894,000 was recorded for services rendered at year-end but not yet billed at June 30, 2019. 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

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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

In addition to assets, the Statement of Net Position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category. One item is the deferred charge on refunding, which is reported in the government-wide and proprietary fund Statements 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 debt or the refunding debt. The remaining items relate to the County's Pension and OPEB Plans and are reported in the government-wide and proprietary fund Statements of Net Position.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items relate to the County's Pension and OPEB Plans and are reported in the government-wide and proprietary fund Statements of Net Position.

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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 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".

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

Fund Balance: Generally, “Fund Balance” represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 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

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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 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, 2019, \$5,347,653 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019 is \$5,587,555, the sinking fund balances are \$3,502,157, for a debt service total of \$9,089,712, 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 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, 2019, the County was in compliance with this requirement.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019, 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 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

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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. As of June 30, 2019, the County's investment in Georgia Fund 1 were rated AA+ by Standard and Poor's.

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

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

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

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

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

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

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.

Investment cash equivalents comprised \$47,500,725 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>\$47,500,725</u>	39 Day Weighted Average

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

At June 30, 2019, the County had \$47,083,902 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 \$47,083,902 as of June 30, 2019.

Type of Investment	Rating	Investment Maturities (in Years)			Fair Value
		Less than 1	1-5 Years	6-10 Years	
US Treasuries	AA+	\$ 13,686,276	\$ 10,426,006	\$ -	\$ 24,112,282
US Treasuries	AAAm	2,193,871	-	-	2,193,871
U.S. Government Sponsored Entities and Agencies	AA+	7,521,369	5,879,258	6,950,890	20,351,517
International Bonds	N/R	426,232	-	-	426,232
		<u>\$ 23,827,748</u>	<u>\$ 16,305,264</u>	<u>\$ 6,950,890</u>	<u>\$ 47,083,902</u>

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, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
US Treasuries	\$ 4,246,045	\$ 22,060,108	\$ -	\$ 26,306,153
Government Bonds	-	20,351,517	-	20,351,517
International Bonds	-	426,232	-	426,232
	<u>\$ 4,246,045</u>	<u>\$ 42,837,857</u>	<u>\$ -</u>	<u>\$ 47,083,902</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

B. Receivables

Receivables as of June 30, 2019, including 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	\$ 420,691	\$ 126,777	\$ -	\$ -	\$ 54,236	\$ -	\$ -	\$ -
Sales taxes	1,088,665	-	2,424,320	-	-	-	-	-
Interest	4,164	-	-	-	-	-	-	-
Intergovernmental	62,055	40,812	-	-	-	-	-	-
Other receivables	1,212,464	-	214,327	54,758	1,165,591	1,830,556	7,366	994,758
Gross receivables	2,788,039	167,589	2,638,647	54,758	1,219,827	1,830,556	7,366	994,758
Less: Allowance for Uncollectibles	(89,464)	(22,483)	-	-	(90,933)	(125,000)	-	-
Net total receivables	<u>\$ 2,698,575</u>	<u>\$ 145,106</u>	<u>\$ 2,638,647</u>	<u>\$ 54,758</u>	<u>\$ 1,128,894</u>	<u>\$ 1,705,556</u>	<u>\$ 7,366</u>	<u>\$ 994,758</u>

(This page is continued on the subsequent page)

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

C. Capital Assets

Capital assets for the Primary Government for the fiscal year ended June 30, 2019, 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 2019 fiscal year.

Governmental Activities	Balance July 01, 2018	Increases	Decreases	Balances June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 15,134,936	\$ 238,038	\$ (11,490)	\$ 15,361,484
Construction in progress	16,836,795	9,997,980	(7,440,442)	19,394,333
Total capital assets, not being depreciated	<u>31,971,731</u>	<u>10,236,018</u>	<u>(7,451,932)</u>	<u>34,755,817</u>
Capital assets being depreciated:				
Buildings and structures	81,934,108	4,709,080	(438,968)	86,204,220
Infrastructure	317,605,587	3,478,585	(488,000)	320,596,172
Improvements	11,076,215	510,338	(2,013)	11,584,540
Machinery and equipment	21,661,906	2,150,096	(1,425,523)	22,386,479
Vehicles	16,257,059	2,021,253	(1,933,538)	16,344,774
Total capital assets being depreciated	<u>448,534,875</u>	<u>12,869,352</u>	<u>(4,288,042)</u>	<u>457,116,185</u>
Less accumulated depreciation for:				
Buildings and structures	(36,746,265)	(2,693,105)	353,758	(39,085,612)
Infrastructure	(289,639,750)	(2,783,610)	244,390	(292,178,970)
Improvements	(5,935,559)	(239,659)	2,013	(6,173,205)
Machinery and equipment	(16,573,943)	(1,306,145)	1,374,617	(16,505,471)
Vehicles	(10,685,775)	(986,045)	1,873,792	(9,798,028)
Total accumulated depreciation	<u>(359,581,292)</u>	<u>(8,008,564)</u>	<u>3,848,570</u>	<u>(363,741,286)</u>
Total capital assets being depreciated, net	<u>88,953,583</u>	<u>4,860,788</u>	<u>(439,472)</u>	<u>93,374,899</u>
Governmental activities capital assets, net	<u>\$ 120,925,314</u>	<u>\$ 15,096,806</u>	<u>\$ (7,891,404)</u>	<u>\$ 128,130,716</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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

Business-Type Activities	Balance July 01, 2018	Increases	Decreases	Balances June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 20,718,888	\$ -	\$ -	\$ 20,718,888
Construction in progress	1,583,775	1,298,700	(650,362)	2,232,113
Total capital assets, not being depreciated	<u>22,302,663</u>	<u>1,298,700</u>	<u>(650,362)</u>	<u>22,951,001</u>
Capital assets being depreciated:				
Buildings and structures	64,991,055	92,087	(321,312)	64,761,830
Infrastructure	95,028,718	1,889,032	-	96,917,750
Improvements	17,373,094	-	-	17,373,094
Machinery and equipment	13,565,537	396,590	(402,846)	13,559,281
Total capital assets being depreciated	<u>190,958,404</u>	<u>2,377,709</u>	<u>(724,158)</u>	<u>192,611,955</u>
Less accumulated depreciation for:				
Buildings and structures	(34,801,390)	(2,270,616)	307,301	(36,764,705)
Infrastructure	(49,240,991)	(2,297,143)	-	(51,538,134)
Improvements	(11,790,679)	(722,383)	-	(12,513,062)
Machinery and equipment	(9,672,036)	(554,349)	404,781	(9,821,604)
Total accumulated depreciation	<u>(105,505,096)</u>	<u>(5,844,491)</u>	<u>712,082</u>	<u>(110,637,505)</u>
Total capital assets being depreciated, net	<u>85,453,308</u>	<u>(3,466,782)</u>	<u>(12,076)</u>	<u>81,974,450</u>
Governmental activities capital assets, net	<u>\$ 107,755,971</u>	<u>\$ (2,168,082)</u>	<u>\$ (662,438)</u>	<u>\$ 104,925,451</u>

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

Governmental Activities:

General Government	\$1,022,279
Judicial System	972,717
Public Safety	2,185,703
Public Works	3,424,959
Health and Welfare	7,896
Culture and Recreation	380,251
Housing and Development	<u>14,759</u>
Total depreciation expense – Governmental Activities	<u>\$8,008,564</u>

Business-Type Activities:

Water System	\$5,828,305
Solid Waste	<u>16,186</u>
Total depreciation expense – Business-Type Activities	<u>\$5,844,491</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019 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, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	2017 SPLOST	\$3,413,956

The General Fund has made advances to the 2017 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.

Interfund transfers for the fiscal year ended June 30, 2019 are shown in the following table:

	Transfers In:				Total
	General Fund	Fire	Non-Major Governmental Funds	Internal Service Funds	
Transfers Out:					
General Fund	\$ -	\$ -	\$ 2,696,667	\$ 745,447	\$ 3,442,114
Fire Fund	-	-	1,720,870	500,000	2,220,870
Non-Major Governmental Funds	152,343	96,803	15,000	250,000	514,146
Internal Service Funds	-	-	-	40,000	40,000
Total	\$ 152,343	\$ 96,803	\$ 4,432,537	\$ 1,535,447	\$ 6,217,130

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019, the County has determined that it has used approximately 9,135 cubic yards out of a total available capacity of approximately 152,271 cubic yards which approximates 6.0% capacity used. Further, estimated costs of closure and post closure care costs as determined at June 30, 2019, amount to approximately \$745,120. Based on the above facts and estimated amounts, the County has recorded a liability of \$44,707. 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 55 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

1. Water Revenue Bonds

The Water System (the "System") has pledged future water customer revenues, net of specified operating expenses, to repay \$35.5 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 \$40,234,092. Principal and interest paid on outstanding bonds in the current year was \$5,290,975 and "net revenues" as defined by the bond ordinance were \$7,330,912.

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, 2019, there will remain a balance of \$35,000 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 \$1,960,000 in bonds that mature on October 1, 2019, there will remain a balance of \$3,845,000 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019, there will remain a balance of \$7,820,000 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.

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 \$1,915,000 in bonds that mature on October 1, 2019, there will remain a balance of \$3,720,000 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 \$250,000 in bonds that mature on October 1, 2019, there will remain a balance of \$15,830,000 outstanding on this series.

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

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

f) Schedule of Revenue Bond Activity

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2019:

<u>Revenue Bond Issues</u>	<u>Balance at June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2019</u>	<u>Due within one year</u>
Series 1996A	\$ 105,000	\$ -	\$ (35,000)	\$ 70,000	\$ 35,000
Series 2009	7,595,000	-	(1,790,000)	5,805,000	1,960,000
Series 2012A	7,920,000	-	(50,000)	7,870,000	50,000
Series 2012B	7,465,000	-	(1,830,000)	5,635,000	1,915,000
Series 2016	16,325,000	-	(245,000)	16,080,000	250,000
Total revenue bonds	39,410,000	-	(3,950,000)	35,460,000	<u>\$ 4,210,000</u>
<u>Plus Deferred Amounts for:</u>					
Bond discounts /					
Premiums (net)	2,260,643	-	(255,364)	2,005,279	
Net revenue bonds	<u>\$ 41,670,643</u>	<u>\$ -</u>	<u>\$ (4,205,364)</u>	<u>\$ 37,465,279</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, 2019

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, 2019.

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 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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 \$100,394 with \$43,891 due in the 2020 fiscal year. As determined by the defined benefit plan's actuary, the estimated additional pension liability associated with the early termination program was \$2,880,000. In keeping with the Board's Resolution for the program dated March 22, 2012 and its commitment to not adversely impact future operating budgets, this amount was deposited by the County into the Defined Benefit Pension Plan on October 26, 2012.

Changes in Long-Term Obligations:

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

Governmental Activities	Balance at July 01, 2018	Increases	Decreases	Balance at June 30, 2019	Due Within One Year
Revenue bonds	\$ 29,750,000	\$ -	\$(1,950,000)	\$ 27,800,000	\$ 2,025,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	953,208	-	(79,449)	873,759	-
Total revenue bonds payable	30,703,208	-	(2,029,449)	28,673,759	2,025,000
Certificates of participation	601,000	-	-	601,000	-
Compensated absences	2,775,327	1,918,206	(1,772,744)	2,920,789	678,193
Early termination benefits	146,584	-	(46,190)	100,394	43,891
Governmental Activities noncurrent liabilities	<u>\$ 34,226,119</u>	<u>\$ 1,918,206</u>	<u>\$(3,848,383)</u>	<u>\$ 32,295,942</u>	<u>\$ 2,747,084</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

Business-Type Activities	Balance at July 01, 2018	Increases	Decreases	Balance at June 30, 2019	Due Within One Year
Revenue bonds	\$ 39,410,000	\$ -	\$ (3,950,000)	\$ 35,460,000	\$ 4,210,000
Plus deferred amounts for:					
Bond discounts / premiums (net)	2,260,643	-	(255,364)	2,005,279	-
Total revenue bonds payable	41,670,643	-	(4,205,364)	37,465,279	4,210,000
Compensated absences	215,115	167,174	(170,196)	212,093	60,314
Business-Type Activities noncurrent liabilities	<u>\$ 41,885,758</u>	<u>\$ 167,174</u>	<u>\$ (4,375,560)</u>	<u>\$ 37,677,372</u>	<u>\$ 4,270,314</u>

For governmental activities, certificates of participation are being retired by the vehicle/equipment replacement 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.

Debt service requirements on long-term debt at June 30, 2019, are as follows:

Year Ending June 30,	Governmental Activities				Business-Type Activities	
	Revenue Bonds		Certificates of Participation		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,025,000	\$ 1,234,006	\$ -	\$ 28,548	\$ 4,210,000	\$ 1,158,452
2021	2,105,000	1,153,006	-	28,548	4,195,000	972,441
2022	2,190,000	1,068,806	-	28,548	4,620,000	797,893
2023	2,300,000	959,306	-	28,548	4,710,000	658,298
2024	2,405,000	855,806	-	28,548	4,870,000	516,438
2025-2029	13,660,000	2,637,394	601,000	114,192	11,690,000	658,454
2030	3,115,000	147,963	-	-	1,165,000	12,116
	<u>\$ 27,800,000</u>	<u>\$ 8,056,287</u>	<u>\$ 601,000</u>	<u>\$ 256,932</u>	<u>\$ 35,460,000</u>	<u>\$ 4,774,092</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019 are as follows:

	Governmental Activities	Business-Type Activities	Total
Cost of capital assets	\$ 491,872,002	\$ 215,562,956	\$ 707,434,958
Less accumulated depreciation	<u>(363,741,286)</u>	<u>(110,637,505)</u>	<u>(474,378,791)</u>
Book value	128,130,716	104,925,451	233,056,167
Deferred charges on bond refunding	1,955,195	1,241,082	3,196,277
Less Retainage payable	(147,700)	(3,301)	(151,001)
Less capital related debt	(28,401,000)	(35,460,000)	(63,861,000)
Less unamortized bond premiums	<u>(873,759)</u>	<u>(2,005,279)</u>	<u>(2,879,038)</u>
Net investment in capital assets	<u><u>\$ 100,663,452</u></u>	<u><u>\$ 68,697,953</u></u>	<u><u>\$ 169,361,405</u></u>

H. Fund Balance Classifications

The County’s governmental funds show the following fund equity accounts at June 30, 2019:

Fund Balances	General Fund	Fire Services Fund	2017 SPLOST	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:						
Advances	\$ 3,413,956	\$ -	\$ -	\$ -	\$ -	\$ 3,413,956
Inventories	131,787	-	-	-	-	131,787
Restricted:						
Animal control	-	-	-	-	3,765	3,765
Capital projects	539,172	-	18,004,724	31,098,822	98,264	49,740,982
E-911 communications	-	-	-	-	5,233,277	5,233,277
Court services	-	-	-	-	1,190,072	1,190,072
Law enforcement	-	-	-	-	698,392	698,392
Fire services	-	4,475,668	-	-	-	4,475,668
Emergency medical servcies	-	-	-	-	1,706,985	1,706,985
Street lights	-	-	-	-	153,588	153,588
Committed:						
Capital projects	-	-	-	-	7,917,448	7,917,448
Stabilization fund	13,727,248	-	-	-	-	13,727,248
Assigned:						
Emergencies	2,000,000	-	-	-	-	2,000,000
Capital projects	6,060,754	-	-	-	-	6,060,754
Other purposes	120,711	-	-	-	-	120,711
Unassigned	3,947,061	-	-	-	-	3,947,061
	<u><u>\$ 29,940,689</u></u>	<u><u>\$ 4,475,668</u></u>	<u><u>\$ 18,004,724</u></u>	<u><u>\$ 31,098,822</u></u>	<u><u>\$ 17,001,791</u></u>	<u><u>\$ 100,521,694</u></u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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 \$685,241 reported at June 30, 2019, is based on requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

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

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

	Unpaid Claims At Beginning Of Fiscal Year	Incurred Claims (Including Any IBNRs)	Claim Payments	Unpaid Claims At End Of Fiscal Year
Workers Compensation Claims:				
Fiscal Year Ended June 30, 2019	\$ 36,404	\$ 846,882	\$ (874,843)	\$ 8,443
Fiscal Year Ended June 30, 2018	17,102	912,711	(893,409)	36,404
Dental and Vision Claims				
Fiscal Year Ended June 30, 2019	4,618	544,153	(547,064)	1,707
Fiscal Year Ended June 30, 2018	6,966	526,942	(529,290)	4,618
Major Medical Claims				
Fiscal Year Ended June 30, 2019	845,030	7,550,394	(7,720,333)	675,091
Fiscal Year Ended June 30, 2018	365,695	7,941,427	(7,462,092)	845,030
Total Claims				
Fiscal Year Ended June 30, 2019	886,052	8,941,429	(9,142,240)	685,241
Fiscal Year Ended June 30, 2018	389,763	9,381,080	(8,884,791)	886,052

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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	\$ 507,080	\$ 29,700	\$ 3,127,264	\$ 3,538,310	\$ 7,202,354

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 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

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

Total OPEB Liability

The County's total OPEB liability of \$702,182 was measured as of June 30, 2019, 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	3.00%, average, including inflation
Discount rate	3.13%
Participation	20% of actives are assumed to purchase a County plan after retirement
Healthcare cost trend rates	6.50% in the first year, trending down to 6.3% over two years

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 3.13%. 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 745,669
Changes for the year:	
Service cost	29,445
Interest	25,024
Changes of benefit terms	-
Differences between expected and actual experience	(5,492)
Changes of assumptions or other inputs	27,810
Benefit payments, including refunds of employee contributions	(51,286)
Implicit rate subsidy fulfilled	(68,988)
Net changes	(43,487)
Balance at June 30, 2019	\$ 702,182

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 (2.13 percent) or 1-percentage point higher (4.13 percent) than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB liability	\$ 765,360	\$ 702,182	\$ 653,874

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 (5.5% Decreasing to 5.3%)	Trend Rate (6.5% Decreasing to 6.3%)	1% Increase (8.5% Decreasing to 8.3%)
Total OPEB liability	\$ 635,081	\$ 702,182	\$ 795,629

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$55,579. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,218
Changes of assumptions	26,426	-
Total	\$ 26,426	\$ 5,218

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Report Year Ending June 30:	Amount
2020	\$ 1,110
2021	1,110
2022	1,110
2023	1,110
2024	1,110
Thereafter	15,658

D. Pension Plan

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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.

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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

Plan Membership – As of January 1, 2018, the date of the most recent actuarial valuation, the Plan’s membership consisted of the following:

Membership	
Retirees, beneficiaries and disabled receiving benefits	96
Terminated plan participants entitled to but not yet receiving benefits	148
Active employees participating in the plan	485
Total	729

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 2018 was 1.4% 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 \$324,169 for the year ended December 31, 2018 and Employee contributions to the Plan were \$623,403.

Net Pension Liability – The County’s net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2018

The total pension liability in the January 1, 2018 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality rates were based on the RP-2000 Combined Mortality Table with scale to AA.

Inflation	3.00%
Salary increases	1.5% - 3.5% based on age
Investment rate of return	7.00 percent

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of a February 2019 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 (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), 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.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2018, are summarized in the following table.

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	6.56%
Large cap equity	30.00%	10.22%
International equity	15.00%	5.86%
Other equity	20.00%	10.33%
Real estate	5.00%	9.33%
	<u>100.00%</u>	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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.

(This page is continued on the subsequent page)

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019, 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, 2018	\$ 46,416,885	\$ 49,486,945	\$ (3,070,060)
Changes for the year:			
Service cost	777,317	-	777,317
Interest	3,307,295	-	3,307,295
Differences between expected and actual experience	(640,536)	-	(640,536)
Assumption change	2,024,365	-	2,024,365
Contributions - county	-	324,169	(324,169)
Contributions - employees	-	623,403	(623,403)
Net investment income	-	(2,288,418)	2,288,418
Benefit payments	(1,598,046)	(1,598,046)	-
Employee contribution refunds	-	-	-
Administrative expense	-	(104,069)	104,069
Other	-	(223,992)	223,992
Net changes	3,870,395	(3,266,953)	7,137,348
Balances at June 30, 2019	\$ 50,287,280	\$ 46,219,992	\$ 4,067,288

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, 2019

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 7.00 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	<u>\$ 9,382,060</u>	<u>\$ 4,067,288</u>	<u>\$ (396,355)</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, 2018 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, 2019, the County recognized pension expense of \$2,040,786. At June 30, 2019, 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	\$ 1,155,046	\$ 918,284
Changes of assumptions	4,220,985	-
Net difference between projected and actual earnings on pension plan investments	3,364,399	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	158,386	-
	<u>\$ 8,898,816</u>	<u>\$ 918,284</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

The County's contributions subsequent to the measurement date of \$158,386 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, 2020. 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:

2020	\$ 2,035,731
2021	1,443,662
2022	1,389,874
2023	2,120,992
2024	790,024
Thereafter	41,863

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 \$1,597,902 to the defined contribution plan and the County contributed \$612,795 in matching funds. The Board of Commissioners establishes matching percentages.

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

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, 2019

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, 2019, the County abated property taxes totaling \$1,057,813.

J. Restatement of Beginning Balances

The County has determined that a restatement of the beginning fund balance for the County-Wide Roads SPLOST Capital Projects Fund and Governmental Activities net position is required to adjust prior year intergovernmental payments due to a reversal of prior year accounts payable by the Board of Commissioners. This adjustment resulted in a change to the beginning fund balance for the County-Wide Roads SPLOST Capital Projects Fund and net position for Governmental Activities as follows:

	County-Wide Roads SPLOST
Fund balance, as previously reported	\$ 28,529,648
Reversal of prior year intergovernmental expenditures	2,000,000
	<u>\$ 30,529,648</u>
	Governmental Activities
Net Position, as previously reported	\$ 186,064,393
Reversal of prior year intergovernmental expenditures	2,000,000
	<u>\$ 188,064,393</u>

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2019

K. Subsequent Events

In November 2019, the Fayette County Public Facilities Authority (a blended component unit) issued \$29,120,000 of Series 2009 Refunding Revenue Bonds with an interest rate of 2.10%. This along with \$565,003 in cash refunded the Series 2011 Refunding Revenue Bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the Series 2011 bonds. The refunding of the Series 2011 bonds reduced the total debt service payments by approximately \$3.1 Million.



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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 44,332,462	\$ 44,332,462	\$ 44,012,261	\$ (320,201)
Licenses and permits	1,048,600	1,048,600	802,854	(245,746)
Intergovernmental	1,280,282	1,349,597	1,456,553	106,956
Charges for services	3,319,195	3,319,195	3,258,695	(60,500)
Fines and forfeitures	1,732,000	1,732,000	1,420,479	(311,521)
Investment earnings	475,000	475,000	996,204	521,204
Contributions and donations	8,500	50,850	48,890	(1,960)
Miscellaneous revenues	441,300	443,300	381,143	(62,157)
Total revenues	<u>52,637,339</u>	<u>52,751,004</u>	<u>52,377,079</u>	<u>(373,925)</u>
EXPENDITURES:				
Current:				
General government:				
Commissioners	565,764	568,051	499,010	69,041
Administration	335,246	365,844	365,833	11
Elections	570,119	582,474	582,308	166
Finance	1,213,855	1,236,075	1,156,183	79,892
Purchasing	275,459	280,426	258,192	22,234
Law department	232,600	232,600	203,026	29,574
Information systems	1,135,890	1,169,558	989,715	179,843
Human resources	524,778	534,805	510,116	24,689
Tax commissioner	1,081,898	1,091,719	1,045,438	46,281
Tax assessor	1,168,242	1,182,735	1,142,060	40,675
Buildings & grounds maintenance	1,583,237	1,691,589	1,678,953	12,636
Engineering office	294,814	301,069	293,781	7,288
Non-departmental/contingency	860,746	345,906	314,420	31,486
Total general government	<u>9,842,648</u>	<u>9,582,851</u>	<u>9,039,035</u>	<u>543,816</u>
Judicial system:				
Judges, court reporter	491,792	512,892	512,874	18
Clerk of superior court	1,636,545	1,656,887	1,560,171	96,716
District attorney	343,613	343,613	307,160	36,453
Clerk of state court	331,897	334,456	325,254	9,202
State court solicitor	737,903	748,557	738,337	10,220
State court judge	444,389	446,842	426,534	20,308
Magistrate court	323,773	338,527	338,419	108
Probate court	416,266	426,649	426,596	53
Juvenile court	371,871	377,225	324,269	52,956
Public defender	487,783	487,783	487,245	538
Non-departmental	206,740	206,740	194,384	12,356
Total judicial system	<u>5,792,572</u>	<u>5,880,171</u>	<u>5,641,243</u>	<u>238,928</u>

Continued on next page

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Sheriff's office	18,588,756	18,810,019	18,185,811	624,208
County coroner	137,470	138,151	130,912	7,239
Animal control	452,388	460,788	450,785	10,003
Emergency management	305,101	329,322	324,557	4,765
Non-departmental	915,530	915,530	903,892	11,638
Total public safety	<u>20,399,245</u>	<u>20,653,810</u>	<u>19,995,957</u>	<u>657,853</u>
Public works:				
Public works administration	216,247	220,709	153,651	67,058
Road department	6,004,877	5,310,951	4,748,392	562,559
Stormwater management	506,960	511,659	492,574	19,085
Fleet maintenance	619,706	628,509	625,946	2,563
Total public works	<u>7,347,790</u>	<u>6,671,828</u>	<u>6,020,563</u>	<u>651,265</u>
Health and welfare:				
Physical health	283,289	284,169	284,165	4
Fayette counseling center	135,732	135,732	135,732	-
Family and children services	39,325	39,325	39,325	-
Fayette community options	67,270	67,270	67,270	-
Senior citizens center	334,807	334,807	319,929	14,878
Total health and welfare	<u>860,423</u>	<u>861,303</u>	<u>846,421</u>	<u>14,882</u>
Culture and recreation:				
Recreation	1,342,587	1,411,229	1,331,121	80,108
Library	1,061,915	1,087,181	1,071,441	15,740
Total culture and recreation	<u>2,404,502</u>	<u>2,498,410</u>	<u>2,402,562</u>	<u>95,848</u>
Housing and development:				
County extension	143,093	144,053	128,074	15,979
Georgia forestry commission	3,336	3,530	3,530	-
Permits and inspections	705,242	713,922	679,950	33,972
Planning and zoning	414,037	424,665	387,803	36,862
Development authority	239,950	239,950	237,089	2,861
Total housing and development	<u>1,505,658</u>	<u>1,526,120</u>	<u>1,436,446</u>	<u>89,674</u>

Continued on Next Page

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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Debt service:				
Principal retirement	1,950,000	1,950,000	1,950,000	-
Interest and fiscal charges	1,313,306	1,313,306	1,313,306	-
Total debt service	<u>3,263,306</u>	<u>3,263,306</u>	<u>3,263,306</u>	<u>-</u>
Total expenditures	<u>51,416,144</u>	<u>50,937,799</u>	<u>48,645,533</u>	<u>2,292,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,221,195</u>	<u>1,813,205</u>	<u>3,731,546</u>	<u>1,918,341</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	152,343	152,343	-
Transfers out	(3,371,062)	(3,442,114)	(3,442,114)	-
Sale of capital assets	25,000	25,000	79,411	54,411
Total other financing sources (uses)	<u>(3,346,062)</u>	<u>(3,264,771)</u>	<u>(3,210,360)</u>	<u>54,411</u>
Net change in fund balance	<u>\$ (2,124,867)</u>	<u>\$ (1,451,566)</u>	521,186	<u>\$ 1,972,752</u>
Fund balance, beginning of year			<u>29,419,503</u>	
Fund balance, end of year			<u>\$ 29,940,689</u>	

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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 8,084,000	\$ 8,084,000	\$ 8,322,905	\$ 238,905
Other	3,065,000	3,065,000	3,134,756	69,756
Intergovernmental	42,800	70,000	54,469	(15,531)
Charges for services	204,000	204,000	159,173	(44,827)
Investment earnings	30,000	30,000	84,739	54,739
Contributions and donations	-	17,700	17,700	-
Miscellaneous revenues	64,600	64,600	55,869	(8,731)
	<u>11,490,400</u>	<u>11,535,300</u>	<u>11,829,611</u>	<u>294,311</u>
EXPENDITURES:				
Current -				
Public safety -				
Fire services	9,215,328	9,529,375	9,324,993	204,382
	<u>9,215,328</u>	<u>9,529,375</u>	<u>9,324,993</u>	<u>204,382</u>
Total expenditures	<u>9,215,328</u>	<u>9,529,375</u>	<u>9,324,993</u>	<u>204,382</u>
Excess of revenues over expenditures	<u>2,275,072</u>	<u>2,005,925</u>	<u>2,504,618</u>	<u>498,693</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	96,803	96,803	-
Transfers out	(1,062,700)	(2,220,870)	(2,220,870)	-
Sale of capital assets	-	-	5,000	5,000
	<u>(1,062,700)</u>	<u>(2,124,067)</u>	<u>(2,119,067)</u>	<u>5,000</u>
Total other financing sources (uses)	<u>(1,062,700)</u>	<u>(2,124,067)</u>	<u>(2,119,067)</u>	<u>5,000</u>
Net change in fund balance	<u>\$ 1,212,372</u>	<u>\$ (118,142)</u>	385,551	<u>\$ 503,693</u>
Fund balance, beginning of year			<u>4,090,117</u>	
Fund balance, end of year			<u>\$ 4,475,668</u>	

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 777,317	\$ 839,177	\$ 871,824	\$ 868,884	\$ 921,991
Interest	3,307,295	3,155,970	2,964,403	2,508,554	2,386,445
Differences between expected and actual experience	(640,536)	624,490	(606,858)	1,295,636	--
Changes of assumptions	2,024,365	94,874	1,485,913	2,754,753	--
Benefit payments	<u>(1,598,046)</u>	<u>(1,828,243)</u>	<u>(1,420,095)</u>	<u>(1,279,559)</u>	<u>(1,040,539)</u>
Net change in total pension liability	3,870,395	2,886,268	3,295,187	6,148,268	2,267,897
Total pension liability-beginning	46,416,885	43,530,617	40,235,430	34,087,162	31,819,265
Total pension liability-ending (a)	<u>\$ 50,287,280</u>	<u>\$ 46,416,885</u>	<u>\$ 43,530,617</u>	<u>\$ 40,235,430</u>	<u>\$ 34,087,162</u>
Plan fiduciary net position					
Contributions-employer	\$ 324,169	\$ 329,454	\$ 337,608	\$ 350,141	\$ 183,425
Contributions-employee	623,403	633,566	649,252	673,346	2,530,040
Net investment income	(2,288,418)	7,009,364	3,025,678	341,826	2,872,411
Benefit payments	(1,598,046)	(1,343,302)	(1,420,095)	(1,140,530)	(1,002,929)
Employee contribution refunds	--	(420,986)	--	(139,029)	(214,263)
Administrative expense	(104,069)	(105,683)	(109,805)	(112,787)	(114,168)
Other	<u>(223,992)</u>	<u>(271,560)</u>	<u>(211,152)</u>	<u>(195,463)</u>	<u>(197,640)</u>
Net change in plan fiduciary net position	(3,266,953)	5,830,853	2,271,486	(222,496)	4,056,876
Plan fiduciary net position-beginning	49,486,945	43,656,092	41,384,606	41,607,102	37,550,226
Plan fiduciary net position-ending (b)	<u>\$ 46,219,992</u>	<u>\$ 49,486,945</u>	<u>\$ 43,656,092</u>	<u>\$ 41,384,606</u>	<u>\$ 41,607,102</u>
County's net pension liability (assets) - ending (a) - (b)	<u>\$ 4,067,288</u>	<u>\$ (3,070,060)</u>	<u>\$ (125,475)</u>	<u>\$ (1,149,176)</u>	<u>\$ (7,519,940)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.91%	106.61%	100.29%	102.86%	122.06%
Covered payroll	\$ 24,102,816	\$ 25,875,481	\$ 25,785,049	\$ 26,898,226	\$ 29,389,328
County's net pension liability (asset) as a percentage of covered payroll	16.87%	-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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 333,375	\$ 516,742	\$ 341,514	\$ 20,994	\$ 170,313
Contributions in relation to the actuarially determined contribution	<u>324,169</u>	<u>325,419</u>	<u>345,723</u>	<u>350,141</u>	<u>183,425</u>
Contribution deficiency (excess)	<u>\$ 9,206</u>	<u>\$ 191,323</u>	<u>\$ (4,209)</u>	<u>\$ (329,147)</u>	<u>\$ (13,112)</u>
Covered payroll	\$ 23,802,502	\$ 24,102,816	\$ 25,875,481	\$ 25,785,049	\$ 26,898,226
Contributions as a percentage of covered payroll	1.36%	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

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 29,445	\$ 28,587
Interest	25,024	27,521
Differences between expected and actual experience	(5,492)	--
Changes of assumptions	27,810	--
Benefit payments	(51,286)	(69,692)
Implicit rate subsidy fulfilled	(68,988)	(66,655)
Net change in total OPEB liability	<u>(43,487)</u>	<u>(80,239)</u>
Total OPEB liability - beginning	745,669	825,908
Total OPEB liability - ending	<u>\$ 702,182</u>	<u>\$ 745,669</u>
Covered payroll	\$ 3,357,450	\$ 3,259,660
Total OPEB liability as a percentage of covered payroll	20.91%	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
Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The County has the following six Non-Major Special Revenue Funds.

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

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

Emergency Medical Services (EMS) Tax District Special Revenue Fund – This fund is used to account for those expenditures incurred to provide emergency medical services to those citizens and businesses in the County not being served by the Peachtree City Emergency Medical Services Department. A portion of the revenues used to fund this public safety activity are derived from a separate tax levy on those property owners located in the EMS Special Tax District. Ambulance transport fees are also a dedicated source of revenue for the provision of this service.

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

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

Animal Control Sterilization – This fund is used to account for revenues and expenditures related to spaying and neutering animals at the County’s Animal Control Shelter.

Capital Projects Funds

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

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

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

Fayette County, Georgia
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 8,156,055	\$ 8,193,720	\$ 16,349,775
Receivables (net of allowances for uncollectibles)	1,067,769	61,125	1,128,894
Total assets	<u>\$ 9,223,824</u>	<u>\$ 8,254,845</u>	<u>\$ 17,478,669</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 104,008	\$ 239,133	\$ 343,141
Salary and benefits payable	94,187	-	94,187
Total liabilities	<u>198,195</u>	<u>239,133</u>	<u>437,328</u>
Deferred inflows of resources - Unavailable revenue	<u>39,550</u>	<u>-</u>	<u>39,550</u>
Fund balances:			
Restricted for:			
Special programs:			
Capital projects	-	98,264	98,264
E-911 communications	5,233,277	-	5,233,277
Court services	1,190,072	-	1,190,072
Law enforcement	698,392	-	698,392
Animal control	3,765	-	3,765
Emergency medical services	1,706,985	-	1,706,985
Street lights	153,588	-	153,588
Committed for -			
Capital projects	-	7,917,448	7,917,448
Total fund balances	<u>8,986,079</u>	<u>8,015,712</u>	<u>17,001,791</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,223,824</u>	<u>\$ 8,254,845</u>	<u>\$ 17,478,669</u>

Fayette County, Georgia
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019

	Emergency 911	Street Lights	Emergency Medical Services	Confiscated Assets	Fine Surcharges	Animal Control Sterilization	Totals
ASSETS:							
Cash and cash equivalents	\$ 4,832,520	\$ 155,111	\$ 1,323,113	\$ 654,401	\$ 1,186,865	\$ 4,045	\$ 8,156,055
Receivables, net	505,787	3,331	469,422	3,924	84,945	360	1,067,769
Total assets	<u>\$ 5,338,307</u>	<u>\$ 158,442</u>	<u>\$ 1,792,535</u>	<u>\$ 658,325</u>	<u>\$ 1,271,810</u>	<u>\$ 4,405</u>	<u>\$ 9,223,824</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:							
Liabilities:							
Accounts payable	\$ 51,319	\$ 2,036	\$ 14,058	\$ -	\$ 35,955	\$ 640	\$ 104,008
Salary and benefits payable	40,227	-	48,244	-	5,716	-	94,187
Total liabilities	<u>91,546</u>	<u>2,036</u>	<u>62,302</u>	<u>-</u>	<u>41,671</u>	<u>640</u>	<u>198,195</u>
Deferred inflows of resources - Unearned revenue	13,484	2,818	23,248	-	-	-	39,550
Fund balances:							
Restricted for:							
Special programs:							
E-911 communications	5,233,277	-	-	-	-	-	5,233,277
Court services	-	-	-	-	1,190,072	-	1,190,072
Law enforcement	-	-	-	658,325	40,067	-	698,392
Animal control	-	-	-	-	-	3,765	3,765
Emergency medical services	-	-	1,706,985	-	-	-	1,706,985
Street lights	-	153,588	-	-	-	-	153,588
Total fund balances	<u>5,233,277</u>	<u>153,588</u>	<u>1,706,985</u>	<u>658,325</u>	<u>1,230,139</u>	<u>3,765</u>	<u>8,986,079</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 5,338,307</u>	<u>\$ 158,442</u>	<u>\$ 1,792,535</u>	<u>\$ 658,325</u>	<u>\$ 1,271,810</u>	<u>\$ 4,405</u>	<u>\$ 9,223,824</u>

Fayette County, Georgia
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2019

	Unincorporated County Roads SPLOST	General Capital Projects	Totals
ASSETS:			
Cash and cash equivalents	\$ 98,264	\$ 8,095,456	\$ 8,193,720
Receivables (net of allowances for uncollectibles)	-	61,125	61,125
Total assets	\$ 98,264	\$ 8,156,581	\$ 8,254,845
LIABILITIES AND FUND BALANCES:			
Liabilities -			
Accounts payable	\$ -	\$ 239,133	\$ 239,133
Fund balances:			
Restricted for -			
Capital projects	98,264	-	98,264
Committed to -			
Capital projects	-	7,917,448	7,917,448
Total fund balances	98,264	7,917,448	8,015,712
Total liabilities and fund balances	\$ 98,264	\$ 8,156,581	\$ 8,254,845

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:			
Taxes:			
Property	\$ 3,290,420	\$ -	\$ 3,290,420
Other	4,685	-	4,685
Intergovernmental	698,259	341,515	1,039,774
Charges for services	4,759,252	-	4,759,252
Fines and forfeitures	1,063,048	-	1,063,048
Investment earnings	47,947	152,409	200,356
Miscellaneous	24,180	-	24,180
Total revenues	<u>9,887,791</u>	<u>493,924</u>	<u>10,381,715</u>
EXPENDITURES:			
Current:			
Judicial system	1,015,536	-	1,015,536
Public safety	7,075,253	-	7,075,253
Public works	572,091	-	572,091
Capital outlay	-	4,206,532	4,206,532
Total expenditures	<u>8,662,880</u>	<u>4,206,532</u>	<u>12,869,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,224,911</u>	<u>(3,712,608)</u>	<u>(2,487,697)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	40,000	4,392,537	4,432,537
Transfers out	(265,000)	(249,146)	(514,146)
Total other financing sources (uses)	<u>(225,000)</u>	<u>4,143,391</u>	<u>3,918,391</u>
Net change in fund balance	999,911	430,783	1,430,694
Fund balance, beginning of year	<u>7,986,168</u>	<u>7,584,929</u>	<u>15,571,097</u>
Fund balance, end of year	<u>\$ 8,986,079</u>	<u>\$ 8,015,712</u>	<u>\$ 17,001,791</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, 2019

REVENUES:	Emergency 911	Street Lights	Emergency Medical Services	Confiscated Assets	Fine Surcharges	Animal Control Sterilization	Totals
Taxes:							
Property	\$ 1,245,415	\$ 391,853	\$ 1,653,152	\$ -	\$ -	\$ -	\$ 3,290,420
Other	2,306	-	2,379	-	-	-	4,685
Intergovernmental	2,621	-	10,790	-	684,848	-	698,259
Charges for services	3,014,616	-	1,724,491	-	-	20,145	4,759,252
Fines and forfeitures	-	-	-	375,232	687,816	-	1,063,048
Investment earnings	34,324	-	5,866	7,753	4	-	47,947
Miscellaneous	-	13,595	77	10,508	-	-	24,180
Total revenues	<u>4,299,282</u>	<u>405,448</u>	<u>3,396,755</u>	<u>393,493</u>	<u>1,372,668</u>	<u>20,145</u>	<u>9,887,791</u>
EXPENDITURES:							
Current:							
Judicial system	-	-	-	-	1,015,536	-	1,015,536
Public safety	2,883,561	-	3,196,869	601,503	375,965	17,355	7,075,253
Public works	-	572,091	-	-	-	-	572,091
Total expenditures	<u>2,883,561</u>	<u>572,091</u>	<u>3,196,869</u>	<u>601,503</u>	<u>1,391,501</u>	<u>17,355</u>	<u>8,662,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,415,721</u>	<u>(166,643)</u>	<u>199,886</u>	<u>(208,010)</u>	<u>(18,833)</u>	<u>2,790</u>	<u>1,224,911</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	40,000	-	40,000
Transfers out	-	-	(250,000)	-	(15,000)	-	(265,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(225,000)</u>
Net change in fund balance	1,415,721	(166,643)	(50,114)	(208,010)	6,167	2,790	999,911
Fund balance, beginning of year	3,817,556	320,231	1,757,099	866,335	1,223,972	975	7,986,168
Fund balance, end of year	<u>\$ 5,233,277</u>	<u>\$ 153,588</u>	<u>\$ 1,706,985</u>	<u>\$ 658,325</u>	<u>\$ 1,230,139</u>	<u>\$ 3,765</u>	<u>\$ 8,986,079</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, 2019

	Unincorporated County Roads SPLOST	General Capital Projects	Totals
REVENUES:			
Intergovernmental	\$ -	\$ 341,515	\$ 341,515
Investment earnings	-	152,409	152,409
Total revenues	<u>-</u>	<u>493,924</u>	<u>493,924</u>
EXPENDITURES:			
Capital outlay	-	4,206,532	4,206,532
Total expenditures	<u>-</u>	<u>4,206,532</u>	<u>4,206,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,712,608)</u>	<u>(3,712,608)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	4,392,537	4,392,537
Transfers out	-	(249,146)	(249,146)
Total other financing sources (uses)	<u>-</u>	<u>4,143,391</u>	<u>4,143,391</u>
Net change in fund balance	-	430,783	430,783
Fund balance, beginning of year	<u>98,264</u>	<u>7,486,665</u>	<u>7,584,929</u>
Fund balance, end of year	<u>\$ 98,264</u>	<u>\$ 7,917,448</u>	<u>\$ 8,015,712</u>

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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 1,222,000	\$ 1,222,000	\$ 1,245,415	\$ 23,415
Other	1,600	1,600	2,306	706
Intergovernmental	-	-	2,621	2,621
Charges for services	2,625,000	2,625,000	3,014,616	389,616
Investment earnings	-	-	34,324	34,324
Total revenues	<u>3,848,600</u>	<u>3,848,600</u>	<u>4,299,282</u>	<u>450,682</u>
EXPENDITURES:				
Current -				
Public safety -				
Emergency 911	3,279,986	3,279,986	2,883,561	396,425
Total expenditures	<u>3,279,986</u>	<u>3,279,986</u>	<u>2,883,561</u>	<u>396,425</u>
Net change in fund balance	<u>\$ 568,614</u>	<u>\$ 568,614</u>	1,415,721	<u>\$ 847,107</u>
Fund balance, beginning of year			<u>3,817,556</u>	
Fund balance, end of year			<u>\$ 5,233,277</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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes -				
Property	\$ 370,000	\$ 370,000	\$ 391,853	\$ 21,853
Miscellaneous	-	-	13,595	13,595
	<u>370,000</u>	<u>370,000</u>	<u>405,448</u>	<u>35,448</u>
Total revenue				
EXPENDITURES:				
Current -				
Public works -				
Street lights	336,001	582,595	572,091	10,504
	<u>33,999</u>	<u>(212,595)</u>	<u>(166,643)</u>	<u>45,952</u>
Net change in fund balance				
			<u>320,231</u>	
Fund balance, beginning of year				
			<u>\$ 153,588</u>	

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Property	\$ 1,647,800	\$ 1,647,800	\$ 1,653,152	\$ 5,352
Other	2,000	2,000	2,379	379
Intergovernmental	-	5,187	10,790	5,603
Charges for services	2,020,000	2,020,000	1,724,491	(295,509)
Investment earnings	1,000	1,000	5,866	4,866
Miscellaneous	-	-	77	77
	<u>3,670,800</u>	<u>3,675,987</u>	<u>3,396,755</u>	<u>(279,232)</u>
EXPENDITURES:				
Current -				
Public safety -				
Emergency medical services	3,327,687	3,412,874	3,196,869	216,005
	<u>3,327,687</u>	<u>3,412,874</u>	<u>3,196,869</u>	<u>216,005</u>
Excess of revenues over expenditures	<u>343,113</u>	<u>263,113</u>	<u>199,886</u>	<u>(63,227)</u>
OTHER FINANCING SOURCES:				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 93,113</u>	<u>\$ 13,113</u>	<u>(50,114)</u>	<u>\$ (63,227)</u>
Fund balance, beginning of year			<u>1,757,099</u>	
Fund balance, end of year			<u>\$ 1,706,985</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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Fines and forfeitures:				
U. S. Customs	\$ -	\$ 68,951	\$ 68,951	\$ -
Federal	-	220,397	220,398	1
State	-	85,882	85,883	1
Investment earnings	-	7,754	7,753	(1)
Miscellaneous	-	10,509	10,508	(1)
Total revenues	-	393,493	393,493	-
EXPENDITURES:				
Current -				
Public safety -				
Sheriff's office:				
U. S. Customs	-	467,774	467,774	-
Federal	-	130,267	130,267	-
State	-	3,465	3,462	3
Total expenditures	-	601,506	601,503	3
Net change in fund balance	\$ -	\$ (208,013)	(208,010)	\$ (3)
Fund balance, beginning of year			866,335	
Fund balance, end of year			\$ 658,325	

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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Jail surcharge	\$ 261,000	\$ 261,000	\$ 224,301	\$ (36,699)
Victims' assistance surcharge	82,000	82,000	77,130	(4,870)
Drug court grant	307,019	310,519	310,519	-
DUI court grant	51,828	73,004	72,898	(106)
Fines and forfeitures:				
Jail surcharge	170,000	170,000	127,730	(42,270)
Victims' assistance surcharge	66,000	66,000	80,281	14,281
Drug abuse education surcharge	191,000	191,000	188,344	(2,656)
DUI court surcharge	236,520	236,520	224,091	(12,429)
Juvenile court supervision surcharge	12,000	12,000	9,515	(2,485)
Law library surcharge	55,000	57,855	57,855	-
Investment earnings	-	-	4	4
Total revenues	<u>1,432,367</u>	<u>1,459,898</u>	<u>1,372,668</u>	<u>(87,230)</u>
EXPENDITURES:				
Current:				
Judicial system:				
Victims' assistance	137,798	137,798	137,798	-
Drug abuse education	558,552	566,113	570,166	(4,053)
DUI court	297,929	320,664	220,636	100,028
Juvenile court supervision	22,330	22,330	15,668	6,662
Law library	55,000	71,270	71,268	2
Public safety -				
Prisoner meals	431,000	431,000	375,965	55,035
Total expenditures	<u>1,502,609</u>	<u>1,549,175</u>	<u>1,391,501</u>	<u>157,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,242)</u>	<u>(89,277)</u>	<u>(18,833)</u>	<u>70,444</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	40,000	40,000	-
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(15,000)</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (85,242)</u>	<u>\$ (64,277)</u>	6,167	<u>\$ 70,444</u>
Fund balance, beginning of year			<u>1,223,972</u>	
Fund balance, end of year			<u>\$ 1,230,139</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, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 13,000	\$ 17,356	\$ 20,145	\$ 2,789
EXPENDITURES:				
Current -				
Public safety -				
Emergency medical services	13,000	17,356	17,355	1
Net change in fund balance	\$ -	\$ -	2,790	\$ 2,790
Fund balance, beginning of year			975	
Fund balance, end of year			\$ 3,765	

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, 2019

	<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	1,381,449	99,531	1,480,980	-
Investment earnings	4,948,870	961,100	5,909,970	-
Total revenues	<u>74,697,379</u>	<u>1,060,631</u>	<u>75,758,010</u>	<u>81,100,087</u>
EXPENDITURES:				
Capital outlay -				
Streets and bridges	36,598,722	491,457	37,090,179	73,325,743
Intergovernmental -				
City of Fayetteville	7,774,106	-	7,774,106	7,774,344
Total expenditures	<u>44,372,828</u>	<u>491,457</u>	<u>44,864,285</u>	<u>81,100,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,324,551</u>	<u>569,174</u>	<u>30,893,725</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>\$ 30,529,648</u>	569,174	<u>\$ 31,098,822</u>	<u>\$ -</u>
Fund balance, beginning of year, as restated		<u>30,529,648</u>		
Fund balance, end of year		<u>\$ 31,098,822</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, 2019

	<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	3,581,084	-	3,581,084	4,247,327
City of Peachtree City	10,139,606	-	10,139,606	12,025,984
Town of Tyrone	1,257,293	-	1,257,293	1,491,083
Total expenditures	<u>29,849,969</u>	<u>-</u>	<u>29,849,969</u>	<u>34,757,180</u>
Net change in fund balance	<u>\$ 98,264</u>	-	<u>\$ 98,264</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>98,264</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, 2019

	<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	\$ 26,675,585	\$ 51,793,562	\$ 141,014,157
Intergovernmental -				
Grants	142,068	830,137	972,205	-
Investment earnings	74,259	344,578	418,837	-
Miscellaneous	152	613	765	-
Total revenues	<u>25,334,456</u>	<u>27,850,913</u>	<u>53,185,369</u>	<u>141,014,157</u>
EXPENDITURES:				
Capital outlay -				
Stormwater projects	4,245,939	1,843,080	6,089,019	23,741,641
Transportation projects	486,881	1,225,144	1,712,025	19,520,353
Public safety emergency services	146,153	2,146,260	2,292,413	18,211,536
Fire and emergency services	646,504	906,481	1,552,985	2,950,000
Intergovernmental:				
Town of Brooks	103,609	128,904	232,513	693,791
City of Fayetteville	3,150,794	3,920,038	7,070,832	21,098,538
City of Peachtree City	6,790,779	8,448,701	15,239,480	45,472,835
Town of Tyrone	1,359,335	1,691,207	3,050,542	9,102,463
Town of Woolsey	223,000	-	223,000	223,000
Total expenditures	<u>17,152,994</u>	<u>20,309,815</u>	<u>37,462,809</u>	<u>141,014,157</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,181,462</u>	<u>7,541,098</u>	<u>15,722,560</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>2,282,164</u>	<u>-</u>	<u>2,282,164</u>	<u>-</u>
Total other financing sources	<u>2,282,164</u>	<u>-</u>	<u>2,282,164</u>	<u>-</u>
Net change in fund balance	<u>\$ 10,463,626</u>	7,541,098	<u>\$ 18,004,724</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>10,463,626</u>		
Fund balance, end of year		<u>\$ 18,004,724</u>		



INTERNAL SERVICE FUNDS

Fayette County, Georgia
Internal Service Funds

Internal Service Funds are used to account for certain risk financing activities, and the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. The County has the following four Internal Service Funds.

Workers' Compensation Self-Insurance Fund – This fund is used to account for the financing of the risk that an employee will be injured or have health issues in the course of performing their duties at work. Individual departments and funds are assessed a charge by the fund based on the actual cost of workers' compensation claims. These assessments are used to pay workers' compensation claims and associated administrative expenses that arise during the period.

Dental and Vision Self-Insurance Fund - This fund is used to account for the risk that an employee (and their covered dependents) will require preventative or curative professional services for their teeth or eyes during the year. Each department and its employees (depending upon their particular coverage) are assessed a charge which represents a pro rata share of the cost for dental and vision coverage. These assessments are used to reimburse the employee for their dental and vision claims up to the maximum allowed annual benefit.

Major Medical Self-Insurance Fund - This fund is used to account for the risk that an employee (and their covered dependents) will require preventative or curative professional services for the maintenance of their health during the year. Each department and its employees (depending upon their particular coverage) are assessed a charge which represents a pro rata share of the cost for medical coverage. These assessments are used to pay health claims and the associated administrative expenses. This fund also pays for the Employee Assistance Program (EAP) and other health related costs such as flu shots.

Vehicle Replacement Fund – This fund was established to provide resources for the County to replace the vehicles and certain equipment of its Governmental Funds. The annual charge to the various funds is based on the replacement schedule of its fleet.

Fayette County, Georgia
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

ASSETS	Self-Insurance Funds			Vehicle/ Equipment Replacement	Total
	Workers' Compensation	Dental And Vision	Major Medical		
Current assets:					
Unrestricted cash	\$ 310,882	\$ 23,383	\$ 508,873	\$ 1,520,945	\$ 2,364,083
Restricted cash	-	-	-	828,001	828,001
Cash with fiscal agent	-	-	181,786	-	181,786
Accounts receivable	-	89	994,669	-	994,758
Prepaid items	-	-	-	-	-
Total current assets	310,882	23,472	1,685,328	2,348,946	4,368,628
Noncurrent assets -					
Capital assets -					
Depreciable, net	-	-	-	7,982,108	7,982,108
Total assets	310,882	23,472	1,685,328	10,331,054	12,350,736
LIABILITIES					
Current liabilities:					
Accounts payable	-	-	-	8,537	8,537
Claims payable	8,443	1,707	675,091	-	685,241
Total current liabilities	8,443	1,707	675,091	8,537	693,778
Noncurrent liabilities -					
Certificates of participation	-	-	-	601,000	601,000
Total noncurrent liabilities	-	-	-	601,000	601,000
Total liabilities	8,443	1,707	675,091	609,537	1,294,778
NET POSITION					
Net investment in capital assets	-	-	-	7,381,108	7,381,108
Unrestricted	302,439	21,765	1,010,237	2,340,409	3,674,850
Total net position	\$ 302,439	\$ 21,765	\$ 1,010,237	\$ 9,721,517	\$ 11,055,958

Fayette County, Georgia
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2019

	Self-Insurance Funds			Vehicle/ Equipment Replacement	Total
	Workers' Compensation	Dental And Vision	Major Medical		
Operating Revenues:					
Charges for sales and services	\$ 730,000	\$ 510,055	\$ 8,332,467	\$ 60,361	\$ 9,632,883
Total operating revenues	<u>730,000</u>	<u>510,055</u>	<u>8,332,467</u>	<u>60,361</u>	<u>9,632,883</u>
Operating Expenses:					
Costs of sales and services	846,882	544,153	7,550,394	-	8,941,429
Administration	15,000	-	595,872	-	610,872
Depreciation	-	-	-	1,154,698	1,154,698
Total operating expenses	<u>861,882</u>	<u>544,153</u>	<u>8,146,266</u>	<u>1,154,698</u>	<u>10,706,999</u>
Operating income (loss)	<u>(131,882)</u>	<u>(34,098)</u>	<u>186,201</u>	<u>(1,094,337)</u>	<u>(1,074,116)</u>
Nonoperating Revenues (Expenses):					
Interest income	-	-	-	87,633	87,633
Interest expense	-	-	-	(24,165)	(24,165)
Gain on disposal of capital assets	-	-	-	29,608	29,608
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,076</u>	<u>93,076</u>
Income (loss) before contributions and transfers	<u>(131,882)</u>	<u>(34,098)</u>	<u>186,201</u>	<u>(1,001,261)</u>	<u>(981,040)</u>
Other Financing Sources (Uses)					
Transfers in	-	40,000	-	1,495,447	1,535,447
Transfers out	-	-	(40,000)	-	(40,000)
Total other financing sources (uses)	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>	<u>1,495,447</u>	<u>1,495,447</u>
Change in net position	<u>(131,882)</u>	<u>5,902</u>	<u>146,201</u>	<u>494,186</u>	<u>514,407</u>
Total net position - beginning	<u>434,321</u>	<u>15,863</u>	<u>864,036</u>	<u>9,227,331</u>	<u>10,541,551</u>
Total net position - ending	<u>\$ 302,439</u>	<u>\$ 21,765</u>	<u>\$ 1,010,237</u>	<u>\$ 9,721,517</u>	<u>\$ 11,055,958</u>

Fayette County, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019

	Self-Insurance Funds			Vehicle/ Equipment Replacement	Total
	Workers' Compensation	Dental And Vision	Major Medical		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ -	\$ 137,861	\$ 1,687,648	\$ -	\$ 1,825,509
Receipts from interfund services provided	730,000	372,221	6,335,035	71,544	7,508,800
Payments to suppliers	<u>(788,920)</u>	<u>(547,064)</u>	<u>(8,316,205)</u>	<u>-</u>	<u>(9,652,189)</u>
Net cash provided (used) by operating activities	<u>(58,920)</u>	<u>(36,982)</u>	<u>(293,522)</u>	<u>71,544</u>	<u>(317,880)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	40,000	-	1,495,447	1,535,447
Transfers out	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>	<u>1,495,447</u>	<u>1,495,447</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Interest paid on certificates of participation	-	-	-	(24,165)	(24,165)
Purchase of capital assets	-	-	-	(2,590,894)	(2,590,894)
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,232</u>	<u>136,232</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,478,827)</u>	<u>(2,478,827)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,633</u>	<u>87,633</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,633</u>	<u>87,633</u>
Net increase (decrease) in cash and cash equivalents	(58,920)	3,018	(333,522)	(824,203)	(1,213,627)
Cash and cash equivalents at beginning of year	<u>369,802</u>	<u>20,365</u>	<u>1,024,181</u>	<u>3,173,149</u>	<u>4,587,497</u>
Cash and cash equivalents at end of year	<u>\$ 310,882</u>	<u>\$ 23,383</u>	<u>\$ 690,659</u>	<u>\$ 2,348,946</u>	<u>\$ 3,373,870</u>

Fayette County, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019

	Self-Insurance Funds			Vehicle/ Equipment Replacement	Total
	Workers' Compensation	Dental And Vision	Major Medical		
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (131,882)	\$ (34,098)	\$ 186,201	\$ (1,094,337)	\$ (1,074,116)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	-	-	1,154,698	1,154,698
Decrease (increase) in assets:					
Accounts receivable	-	27	(309,784)	11,183	(298,574)
Prepaid items	102,511	-	-	-	102,511
Increase (decrease) in liabilities:					
Accounts payable	(1,588)	-	-	-	(1,588)
Claims payable	(27,961)	(2,911)	(169,939)	-	(200,811)
Total adjustments	<u>72,962</u>	<u>(2,884)</u>	<u>(479,723)</u>	<u>1,165,881</u>	<u>756,236</u>
Net cash provided (used) by operating activities	<u>\$ (58,920)</u>	<u>\$ (36,982)</u>	<u>\$ (293,522)</u>	<u>\$ 71,544</u>	<u>\$ (317,880)</u>



FIDUCIARY FUNDS

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	<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	\$ 2,448,378	\$ 193,816,282	\$ (193,928,121)	\$ 2,336,539
Taxes receivable	2,713,115	163,027,684	(163,044,948)	2,695,851
Total assets	<u>\$ 5,161,493</u>	<u>\$ 356,843,966</u>	<u>\$ (356,973,069)</u>	<u>\$ 5,032,390</u>
Liabilities:				
Due to others	<u>\$ 5,161,493</u>	<u>\$ 356,843,966</u>	<u>\$ (356,973,069)</u>	<u>\$ 5,032,390</u>
Total liabilities	<u>\$ 5,161,493</u>	<u>\$ 356,843,966</u>	<u>\$ (356,973,069)</u>	<u>\$ 5,032,390</u>
SHERIFF'S OFFICE				
Assets -				
Cash and cash equivalents	<u>\$ 341,675</u>	<u>\$ 789,935</u>	<u>\$ (873,787)</u>	<u>\$ 257,823</u>
Liabilities -				
Due to others	<u>\$ 341,675</u>	<u>\$ 789,935</u>	<u>\$ (873,787)</u>	<u>\$ 257,823</u>
SUPERIOR COURT				
Assets -				
Cash and cash equivalents	<u>\$ 1,068,784</u>	<u>\$ 7,515,837</u>	<u>\$ (6,609,042)</u>	<u>\$ 1,975,579</u>
Liabilities -				
Due to others	<u>\$ 1,068,784</u>	<u>\$ 7,515,837</u>	<u>\$ (6,609,042)</u>	<u>\$ 1,975,579</u>
STATE COURT				
Assets -				
Cash and cash equivalents	<u>\$ 685,638</u>	<u>\$ 2,111,360</u>	<u>\$ (2,247,922)</u>	<u>\$ 549,076</u>
Liabilities -				
Due to others	<u>\$ 685,638</u>	<u>\$ 2,111,360</u>	<u>\$ (2,247,922)</u>	<u>\$ 549,076</u>
MAGISTRATE COURT				
Assets -				
Cash and cash equivalents	<u>\$ 127,700</u>	<u>\$ 532,816</u>	<u>\$ (527,363)</u>	<u>\$ 133,153</u>
Liabilities -				
Due to others	<u>\$ 127,700</u>	<u>\$ 532,816</u>	<u>\$ (527,363)</u>	<u>\$ 133,153</u>

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End Of Year</u>
JUVENILE COURT				
Assets -				
Cash and cash equivalents	\$ 5,991	\$ 88,225	\$ (86,892)	\$ 7,324
Liabilities -				
Due to others	\$ 5,991	\$ 88,225	\$ (86,892)	\$ 7,324
PROBATE COURT				
Assets -				
Cash and cash equivalents	\$ 42,470	\$ 617,512	\$ (619,268)	\$ 40,714
Liabilities -				
Due to others	\$ 42,470	\$ 617,512	\$ (619,268)	\$ 40,714
GRIFFIN JUDICIAL CIRCUIT				
Assets -				
Cash and cash equivalents	\$ 223,778	\$ 1,124,866	\$ (1,153,149)	\$ 195,495
Total assets	<u>\$ 223,778</u>	<u>\$ 1,124,866</u>	<u>\$ (1,153,149)</u>	<u>\$ 195,495</u>
Liabilities -				
Due to others	<u>\$ 223,778</u>	<u>\$ 1,124,866</u>	<u>\$ (1,153,149)</u>	<u>\$ 195,495</u>
TOTAL - ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 4,944,414	\$ 206,596,833	\$ (206,045,544)	\$ 5,495,703
Taxes receivable	2,713,115	163,027,684	(163,044,948)	2,695,851
Total assets	<u>\$ 7,657,529</u>	<u>\$ 369,624,517</u>	<u>\$ (369,090,492)</u>	<u>\$ 8,191,554</u>
Liabilities:				
Due to others	<u>\$ 7,657,529</u>	<u>\$ 369,624,517</u>	<u>\$ (369,090,492)</u>	<u>\$ 8,191,554</u>
Total liabilities	<u>\$ 7,657,529</u>	<u>\$ 369,624,517</u>	<u>\$ (369,090,492)</u>	<u>\$ 8,191,554</u>

Fayette County, Georgia
Schedule of Projects Funded Through Special Purpose Local Option Sales Tax (SPLOST)
Road, Street and Bridge Purposes
For the Fiscal Year Ended June 30, 2019

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, 2019

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	<u>16,780,767</u>	<u>16,780,767</u>	<u>14,693,369</u>	<u>-</u>	<u>14,693,369</u>
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	3,581,084	-	3,581,084
City of Peachtree City	12,025,984	12,025,984	10,139,606	-	10,139,606
Town of Tyrone	1,491,083	1,491,083	1,257,293	-	1,257,293
Total proceeds distributed to municipalities for projects	<u>17,976,413</u>	<u>17,976,413</u>	<u>15,156,600</u>	<u>-</u>	<u>15,156,600</u>
Total municipalities and unincorporated county projects - by jurisdiction	<u>\$ 34,757,180</u>	<u>\$ 34,757,180</u>	<u>\$ 29,849,969</u>	<u>\$ -</u>	<u>\$ 29,849,969</u>
 COUNTY-WIDE PROJECTS (70% of total tax proceeds)					
Bridges	\$ 3,670,000	\$ 3,670,000	\$ 7,056,698 *	\$ 175	\$ 7,056,873
Intersections	3,657,400	3,657,400	1,542,979	477	1,543,456
Roadways	60,201,443	60,201,443	27,225,795 *	490,805	27,716,600
Streetscapes / paths	5,796,900	5,796,900	773,297	-	773,297
Total county-wide projects	<u>73,325,743</u>	<u>73,325,743</u>	<u>36,598,769</u>	<u>491,457</u>	<u>37,090,226</u>
Proceeds distributed to municipalities for projects -					
City of Fayetteville	<u>7,774,344</u>	<u>7,774,344</u>	<u>7,774,060</u> **	<u>-</u>	<u>7,774,060</u>
Total municipalities and county-wide county projects - by jurisdiction	<u>\$ 81,100,087</u>	<u>\$ 81,100,087</u>	<u>\$ 44,372,829</u>	<u>\$ 491,457</u>	<u>\$ 44,864,286</u>

* During 2019, the County determined part of a construction project for a bridge was reported as roadways in a prior year. Therefore, prior year expenditures were corrected to reflect the reclassification.

** Refer to Note J regarding prior period adjustment.

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, 2019

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, 2019

PROJECTS	Original Cost Estimate	Revised Cost Estimate	Prior Years' Expenditures	Current Year's Expenditures	Total Amount Expended
Unincorporated county projects:					
Stormwater	\$ 23,741,641	\$ 24,273,363	\$ 4,245,939	\$ 1,843,080	\$ 6,089,019
Transportation	19,520,353	19,520,353	486,881	1,225,144	1,712,025
Public safety emergency services	18,211,536	18,211,536	146,153	2,146,260	2,292,413
Fire and emergency services	2,950,000	2,950,000	646,504	906,481	1,552,985
Total unincorporated county projects	<u>64,423,530</u>	<u>64,955,252</u>	<u>5,525,477</u>	<u>6,120,965</u>	<u>11,646,442</u>
Proceeds distributed to municipalities for projects:					
Town of Brooks	693,791	693,791	103,609	128,904	232,513
City of Fayetteville	21,098,538	21,098,538	3,150,794	3,920,038	7,070,832
City of Peachtree City	45,472,835	45,472,835	6,790,779	8,448,701	15,239,480
Town of Tyrone	9,102,463	9,102,463	1,359,335	1,691,207	3,050,542
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>11,627,517</u>	<u>14,188,850</u>	<u>25,816,367</u>
Total municipalities and unincorporated county projects - by jurisdiction	<u>\$ 141,014,157</u>	<u>\$ 141,545,879</u>	<u>\$ 17,152,994</u>	<u>\$ 20,309,815</u>	<u>\$ 37,462,809</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.

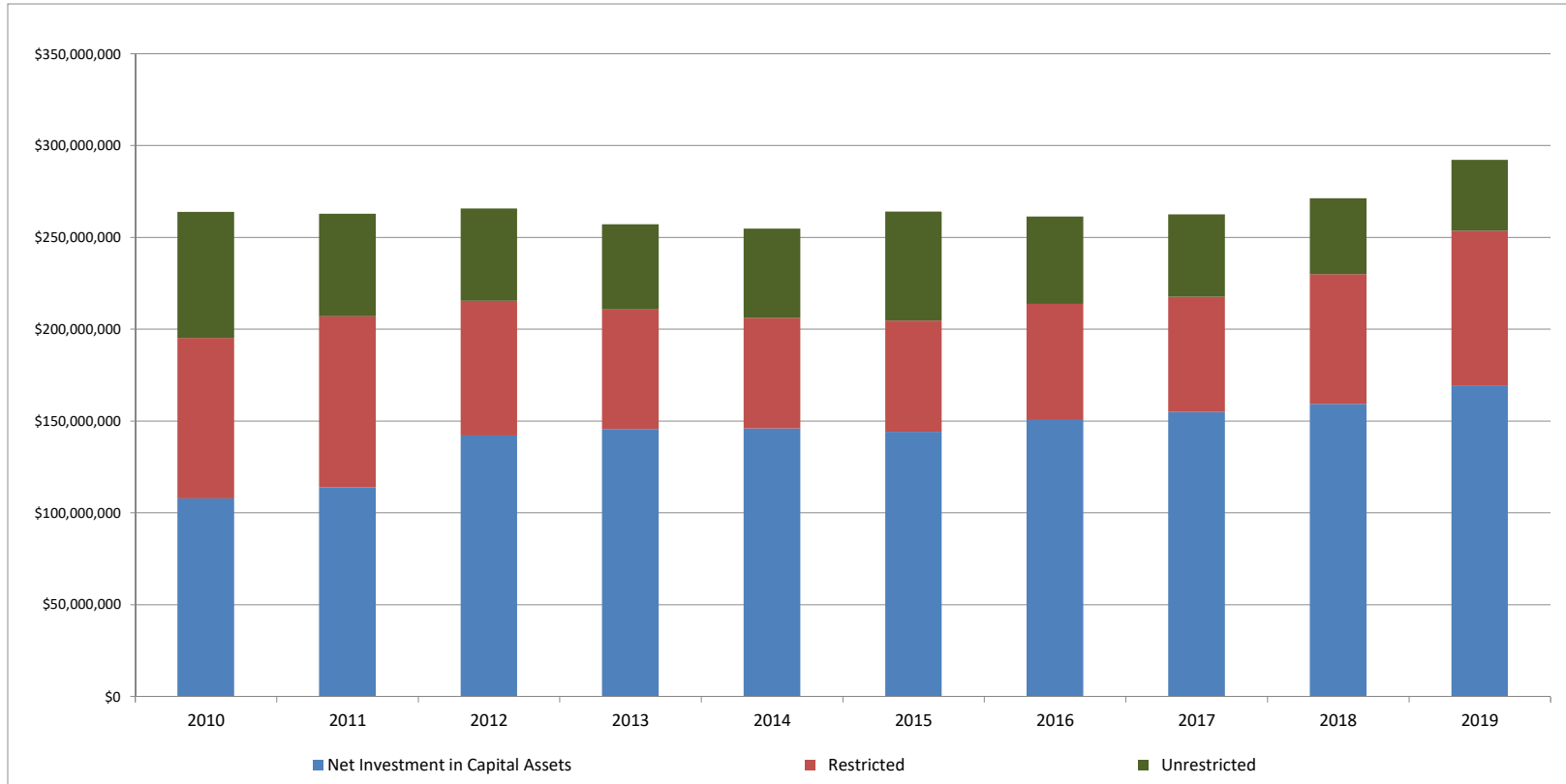
<u>Section Contents</u>	<u>Page</u>
<i>Financial Trends:</i> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	131
<i>Revenue Capacity:</i> These schedules contain information to help the reader assess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

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 100,663,452
Restricted	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	63,202,729
Unrestricted	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	41,379,727
Total Governmental Activities Net Position	\$ 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	\$ 205,245,908
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 68,697,953
Restricted	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	21,021,770
Unrestricted	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)	(2,848,092)
Total Business-Type Activities Net Position	\$ 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	\$ 86,871,631
Primary Government										
Net investment in capital assets	\$ 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	\$ 169,361,405
Restricted	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	84,224,499
Unrestricted	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	38,531,635
Total Primary Government Net Position	\$ 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	\$ 292,117,539

Total Primary Government Net Position



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

Expenses:	<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>	<u>2019</u>
Governmental Activities:										
General Government	\$ 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	\$ 9,945,149
Judicial System	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	7,459,103
Public Safety	33,801,423	34,914,150	35,486,701	36,652,065	35,118,613	33,212,515	35,986,411	37,771,204	38,921,791	39,066,557
Public Works	13,183,402	10,040,669	5,109,741	10,336,908	7,921,320	9,515,157	10,140,891	14,141,638	23,756,478	23,533,884
Health and Welfare	695,438	761,169	765,345	759,250	826,969	824,642	787,302	800,988	850,264	854,317
Culture and Recreation	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	2,700,241
Housing and Development	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	1,476,980
Interest on Long-Term Debt	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	1,429,586
Total Governmental Activities Expenses	\$ 77,680,419	\$ 70,749,376	\$ 66,753,942	\$ 68,139,203	\$ 64,734,080	\$ 63,056,185	\$ 68,700,483	\$ 73,891,752	\$ 85,885,179	\$ 86,465,817
Business-Type Activities										
Water System	\$ 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	\$ 15,906,962
Solid Waste	162,341	163,806	333,225	249,551	348,225	336,787	208,054	157,533	243,983	320,925
Stormwater Utility	-	-	187,116	393,644	89,659	59,945	72,446	57,654	285,093	-
Total Business-Type Activities	\$ 13,245,503	\$ 13,499,904	\$ 14,953,115	\$ 14,500,136	\$ 15,042,625	\$ 15,898,477	\$ 15,901,048	\$ 16,096,177	\$ 18,516,550	\$ 16,227,887
Total Primary Government Expenses	\$ 90,925,922	\$ 84,249,280	\$ 81,707,057	\$ 82,639,339	\$ 79,776,705	\$ 78,954,662	\$ 84,601,531	\$ 89,987,929	\$ 104,401,729	\$ 102,693,704
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 1,785,934
Judicial System	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	2,910,885
Public Safety	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	5,843,502
Public Works	7,170	7,175	7,576	-	1,245	7,927	4,759	5,378	7,093	6,130
Health and Welfare	-	-	-	-	-	-	283,493	74,826	69,029	80,281
Culture and Recreation	240,786	278,526	240,857	57,774	55,422	237,655	286,240	274,789	299,717	295,113
Housing and Development	10,861	210,985	196,713	9,250	8,022	980,493	998,045	966,040	953,394	784,272
Operating Grants and Contributions	31,935	27,767	947,402	287,451	486,585	453,506	943,367	952,997	1,068,044	974,425
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	3,650,391
Total Governmental Activities Program Revenues	\$ 9,519,410	\$ 14,303,037	\$ 9,498,981	\$ 10,380,435	\$ 13,092,290	\$ 13,512,020	\$ 13,719,011	\$ 15,001,418	\$ 15,009,646	\$ 16,330,933
Business-Type Activities:										
Charges for Services:										
Water System	\$ 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	\$ 16,115,719
Solid Waste	120,708	140,382	132,095	115,337	80,878	66,733	70,010	73,977	71,877	76,498
Stormwater Utility	-	-	300,333	148,431	759,663	607,427	614,053	681,199	-	-
Capital Grants and Contributions	418,363	379,232	116,920	332,659	776,055	167,928	1,656,881	3,521,882	1,242,681	1,369,102
Total Business-Type Activities Program Revenues	\$ 13,883,325	\$ 14,808,681	\$ 15,120,214	\$ 14,586,316	\$ 15,291,892	\$ 16,113,825	\$ 18,187,934	\$ 21,239,800	\$ 17,246,404	\$ 17,561,319
Total Primary Government Program Revenues	\$ 23,402,735	\$ 29,111,718	\$ 24,619,195	\$ 24,966,751	\$ 28,384,182	\$ 29,625,845	\$ 31,906,945	\$ 36,241,218	\$ 32,256,050	\$ 33,892,252
Net (Expenses) Revenues										
Governmental Activities	\$ (68,161,009)	\$ (56,446,339)	\$ (57,254,961)	\$ (57,758,768)	\$ (51,641,790)	\$ (49,544,165)	\$ (54,981,472)	\$ (58,890,334)	\$ (70,875,533)	\$ (70,134,884)
Business-Type Activities	637,822	1,308,777	167,099	86,180	249,267	215,348	2,286,886	5,143,623	(1,270,146)	1,333,432
Total Primary Government Net Expenses	\$ (67,523,187)	\$ (55,137,562)	\$ (57,087,862)	\$ (57,672,588)	\$ (51,392,523)	\$ (49,328,817)	\$ (52,694,586)	\$ (53,746,711)	\$ (72,145,679)	\$ (68,801,452)

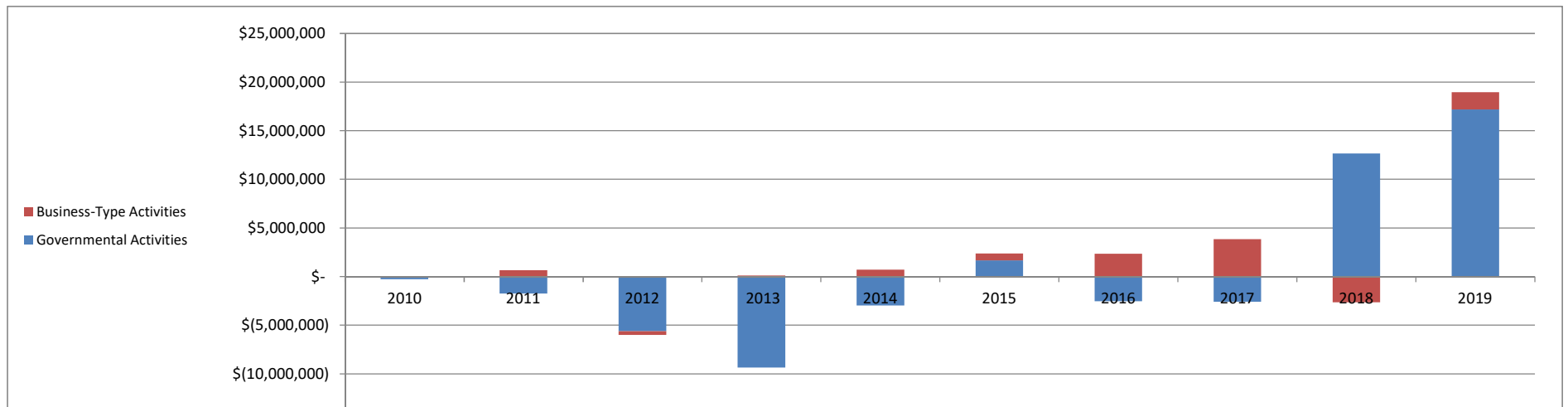
Continued on Next Page

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

	<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>	<u>2019</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 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	\$ 41,980,635
Sales Taxes	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	39,645,008
Other Taxes	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	3,874,719
Special Purpose Local Option Sales Taxes	12,254,894	160,567	-	-	-	-	-	-	-	-
Intergovernmental	3,654,944	1,580,095	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	61,790	16,329	-	-	-	310,723	-	504,464	29,057	-
Unrestricted Investment Earnings	764,894	391,771	905,075	97,882	442,146	313,394	452,737	241,921	351,280	1,368,932
Miscellaneous	520,363	2,975,137	834,182	287,887	337,545	845,587	287,798	293,109	290,604	447,105
Transfers	714,057	706,057	539,650	-	(296,501)	(347,083)	(41,428)	1,394,969	1,540,034	-
Total Governmental Activities	\$ 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	\$ 87,316,399
Business-Type Activities:										
Gain on Sale of Capital Assets	\$ 3,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,425)	\$ 32,010	\$ (10,058)	\$ 5,065
Unrestricted Investment Earnings	30,456	5,552	10,561	15,089	10,489	13,551	19,120	59,946	172,097	327,590
Miscellaneous	43,144	43,536	-	20,868	159,906	129,511	-	-	-	108,260
Transfers	(714,057)	(706,057)	(539,650)	-	296,501	347,083	41,428	(1,394,969)	(1,540,034)	-
Total Business-Type Activities	\$ (636,750)	\$ (656,969)	\$ (529,089)	\$ 35,957	\$ 466,896	\$ 490,145	\$ 59,123	\$ (1,303,013)	\$ (1,377,995)	\$ 440,915
Total Primary Government	\$ 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	\$ 87,757,314
Changes in Net Position										
Governmental Activities	\$ (278,192)	\$ (1,750,460)	\$ (5,628,095)	\$ (9,345,922)	\$ (2,980,399)	\$ 1,659,517	\$ (2,542,185)	\$ (2,585,818)	\$ 12,643,854	\$ 17,181,515
Business-Type Activities	1,072	651,808	(361,990)	122,137	716,163	705,493	2,346,009	3,840,610	(2,648,141)	1,774,347
Total Primary Government	\$ (277,120)	\$ (1,098,652)	\$ (5,990,085)	\$ (9,223,785)	\$ (2,264,236)	\$ 2,365,010	\$ (196,176)	\$ 1,254,792	\$ 9,995,713	\$ 18,955,862
	(1)	(1)	(1)	(1)	(1)					

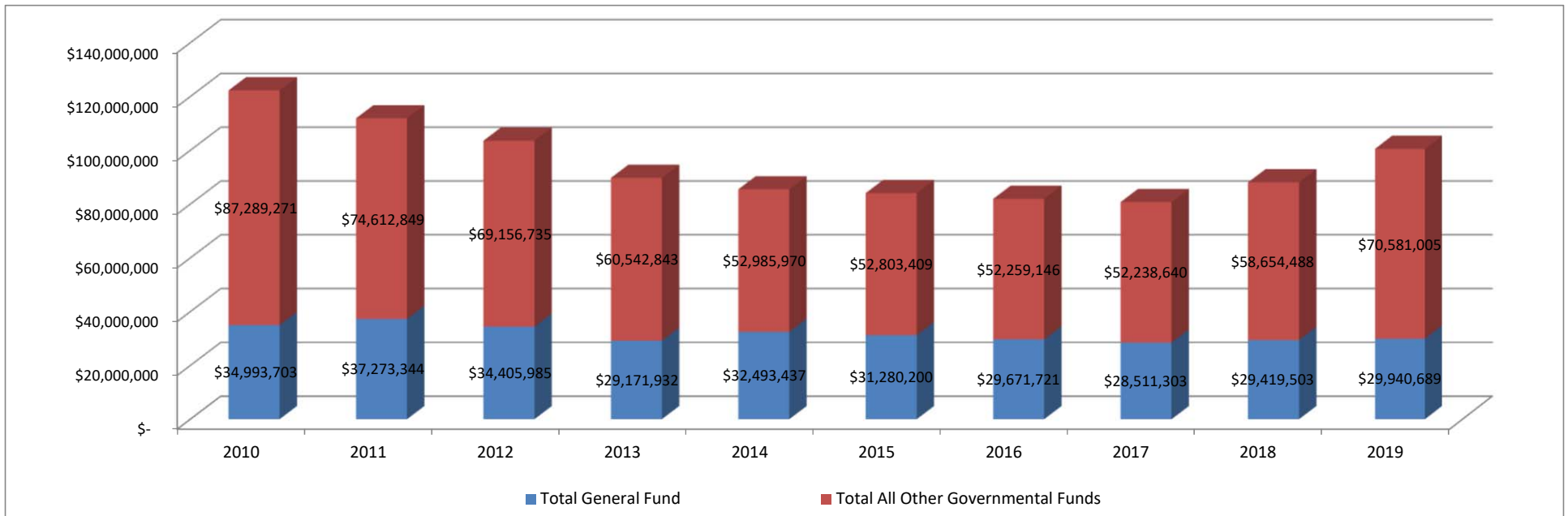
Note (1): The amount of the Change in Net Position for these fiscal years was impacted by the recession that began in 2008.

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Nonspendable	\$ 205,194	\$ 260,351	\$ 246,522	\$ 148,647	\$ 202,728	\$ 132,671	\$ 4,810,543	\$ 4,040,465	\$ 3,801,491	\$ 3,545,743
Restricted	-	-	-	-	-	-	328,032	244,762	332,647	539,172
Committed	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	13,727,248
Assigned	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	8,181,465
Unassigned	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	3,947,061
Total General Fund	\$ 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	\$ 29,940,689
All Other Governmental Funds:										
Nonspendable	\$ 55,465	\$ 33,326	\$ 27,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	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	62,663,557
Committed	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	7,917,448
Assigned	21,559,973	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 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	\$ 70,581,005
Total Governmental Funds	\$ 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	\$ 100,521,694



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

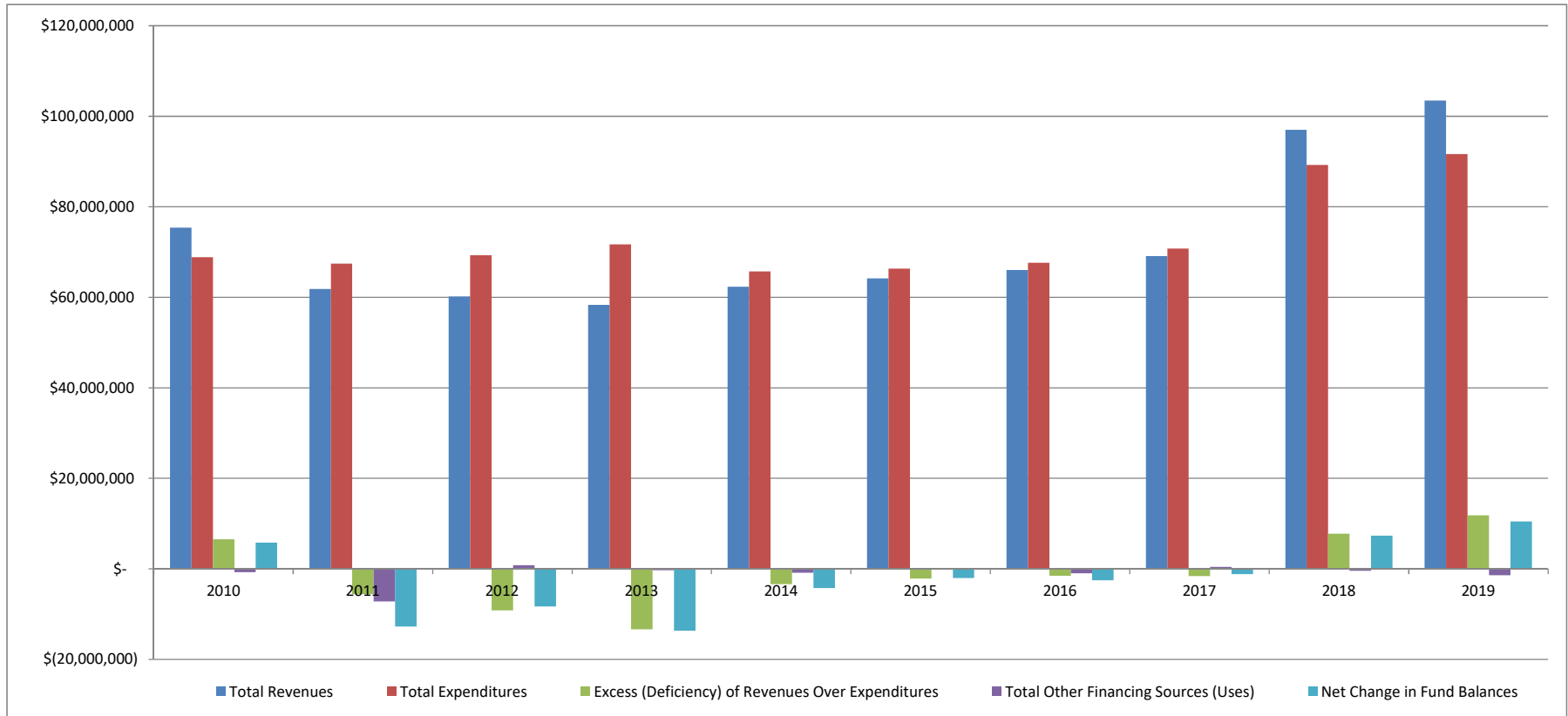
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:										
Taxes	\$ 62,166,769	\$ 48,092,665	\$ 49,791,543	\$ 47,566,643	\$ 48,749,712	\$ 50,235,661	\$ 51,676,210	\$ 53,698,496	\$ 81,398,688	\$ 85,440,612
Licenses and Permits	424,201	451,172	215,512	775,962	1,056,793	1,020,180	1,029,030	992,763	975,036	802,854
Intergovernmental	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	3,480,464
Charges for Services	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	8,177,120
Fines and Forfeitures	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	2,483,527
Investment Income	334,924	510,585	468,787	115,546	414,807	436,684	660,362	259,125	551,236	2,586,977
Contributions	520,363	1,138,077	17,715	13,275	108,510	30,941	19,232	35,597	23,083	66,590
Miscellaneous	31,935	27,767	499,541	326,369	247,779	287,643	287,798	246,549	295,813	461,805
Total Revenues	<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>	<u>\$ 103,499,949</u>
Expenditures:										
General Government	\$ 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	\$ 9,039,035
Judicial System	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	6,656,779
Public Safety	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	36,396,203
Public Works	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	6,592,654
Health and Welfare	695,438	761,169	759,057	754,060	822,881	820,891	782,510	794,390	843,841	846,421
Culture and Recreation	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	2,402,562
Housing and Development	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	1,436,446
Capital Outlay	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	10,818,954
Intergovernmental	2,183,858	23,752	-	-	976,465	586,714	642,365	3,444,846	13,631,641	14,188,850
Debt Service:										
Principal Retirement	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	1,950,000
Interest Expense	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	1,313,306
Paying Agent Fees	1,364	450	-	-	-	-	-	-	-	-
Total Expenditures	<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>	<u>\$ 91,641,210</u>
Excess (Deficiency) of Revenues Over Expenditures	<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>	<u>\$ 11,858,739</u>
Other Financing Sources (Uses):										
Transfers In	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	4,681,683
Transfers Out	(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)	(6,177,130)
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	61,790	16,329	289,063	32,353	6,319	1,363,300	16,152	19,551	25,183	84,411
Total Other Financing Sources (Uses)	<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>	<u>\$ (1,411,036)</u>
Net Change in Fund Balances	<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>	<u>\$ 10,447,703</u>
Debt Service as a Percentage of Noncapital Expenditures	9.3%	3.9%	6.6%	6.6%	5.0%	5.6%	5.5%	4.8%	4.1%	4.2%

Note: The large increase in Tax revenues beginning in FY 2006 and ending in FY 2010 was due to the five year life span of the Special Purpose Local Option Sales Tax (SPLOST) for roads.

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues	\$ 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	\$ 103,499,949
Total Expenditures	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	91,641,210
Excess (Deficiency) of Revenues Over Expenditures	\$ 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	\$ 11,858,739
Total Other Financing Sources (Uses)	(724,539)	(7,179,225)	828,713	(319,847)	(847,541)	114,590	(995,276)	444,520	(409,611)	(1,411,036)
Net Change in Fund Balances	\$ 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	\$ 10,447,703



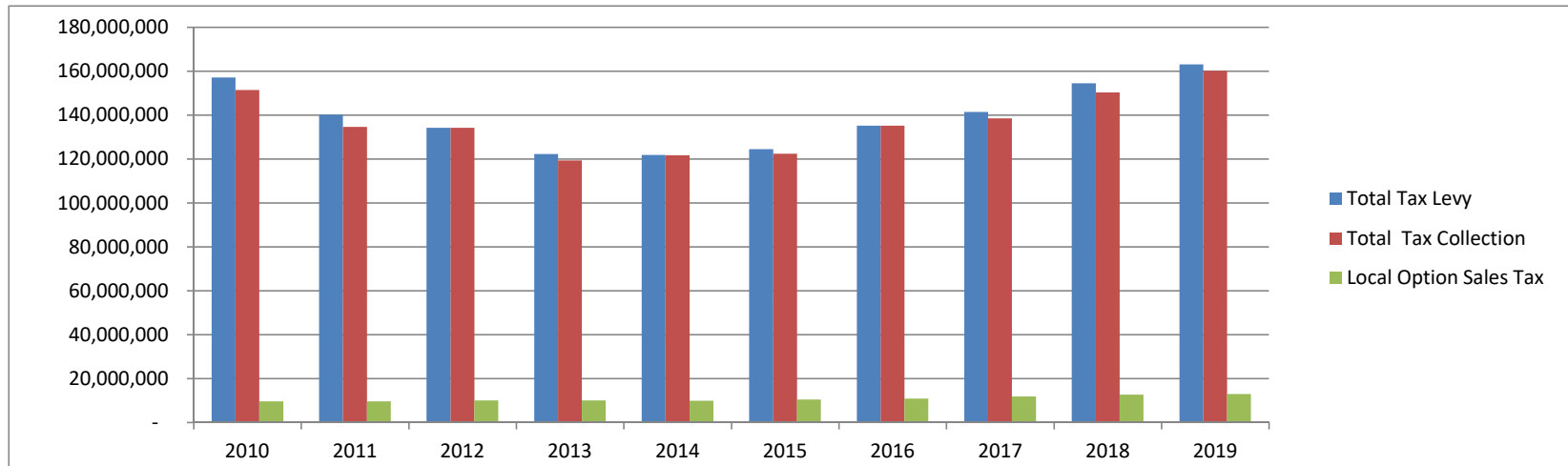
Note: The large decrease in FY 2011 is primarily the result of the Special Purpose Local Option Sales collections and expenditures.

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 (2)</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>	<u>Local Option Sales Tax Proceeds (1)</u>
2010	157,080,795	151,371,828	96.37%	\$ (1,309)	151,370,519	96.36%	1,309	0.00%	9,635,056
2011	140,148,922	134,663,746	96.09%	\$ (2,313)	134,661,433	96.08%	2,313	0.00%	9,572,548
2012	134,178,334	131,714,621	98.16%	\$ (21,373)	134,156,555	99.98%	21,373	0.02%	10,011,105
2013	122,284,367	119,310,658	97.57%	\$ (19,542)	119,291,116	97.55%	19,542	0.02%	9,968,049
2014	121,777,781	117,737,859	96.68%	\$ 4,020,642	121,758,501	99.98%	16,562	0.01%	9,936,255
2015	124,530,100	122,373,029	98.27%	\$ (31,968)	122,341,061	98.24%	31,968	0.03%	10,435,200
2016	135,228,713	131,267,629	97.07%	\$ (26,830)	135,176,231	99.96%	26,830	0.02%	10,812,469
2017	141,407,621	138,482,717	97.93%	\$ (51,647)	138,431,070	97.90%	51,647	0.04%	11,851,965
2018	154,418,197	148,947,488	96.46%	\$ 1,396,348	150,343,836	97.36%	111,875	0.07%	12,638,205
2019	163,027,684	158,555,037	97.26%	\$ 1,550,355	160,105,392	98.21%	303,363	0.19%	12,969,423

(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.

(2) Adjustments made by auditors in FY2016 use the Fayette County unpaid summary to calculate the outstanding delinquent taxes. Outstanding delinquent taxes comes from County's unpaid summary for County, Fire, EMS, 911. The total tax less current year is prior year collections for the current fiscal year.

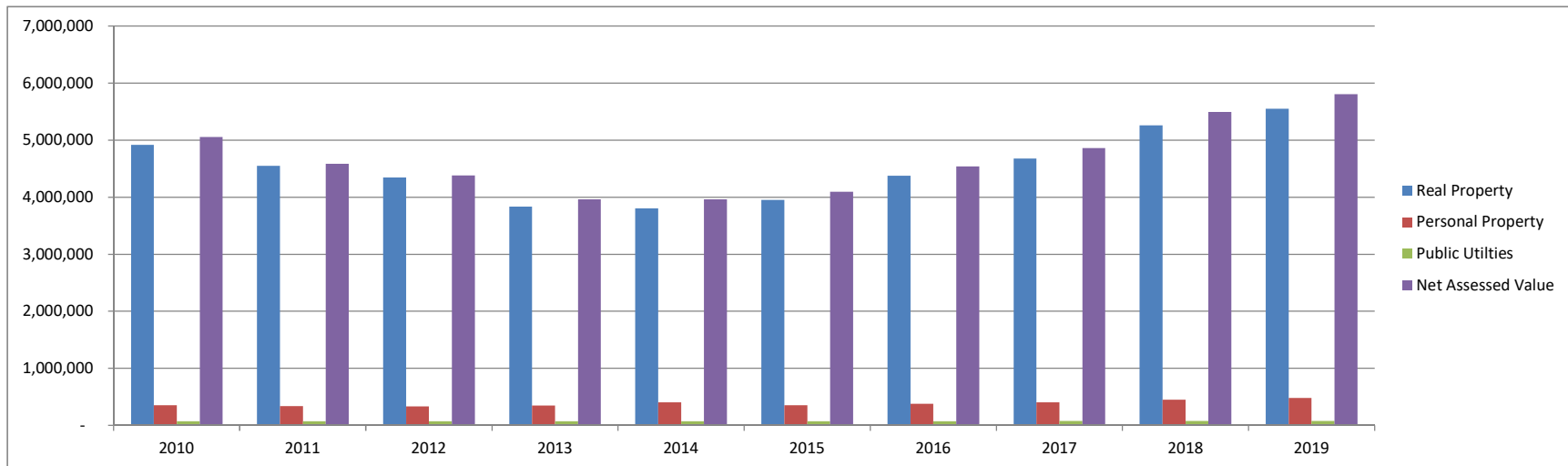


Fayette County, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

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				
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%
2019	5,550,982	13,877,455	479,228	1,198,070	77,951	194,878	6,108,161	15,270,403	303,501	5,804,660	28.98	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.

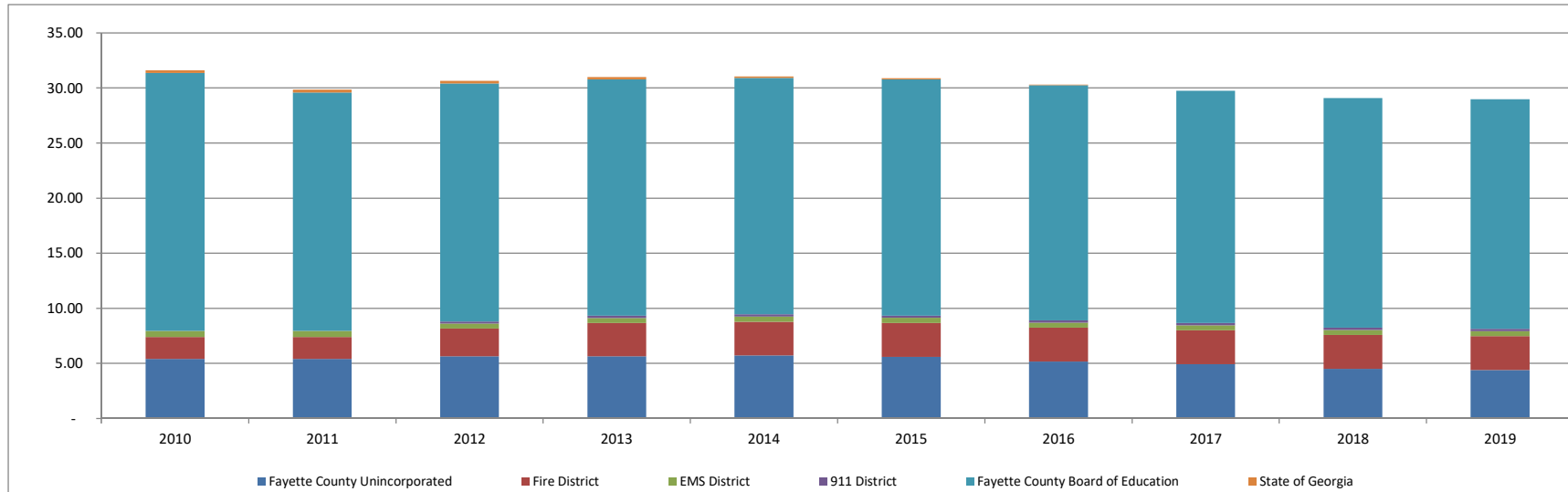
Assessed Value Information



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary Government:										
Fayette County Unincorporated	5.40	5.40	5.65	5.65	5.71	5.60	5.17	4.92	4.51	4.39
Fire District	1.99	1.99	2.50	3.03	3.07	3.07	3.07	3.07	3.07	3.07
Emergency Medical Services (EMS) District	0.55	0.55	0.45	0.45	0.46	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	0.21
Total Primary Government	7.94	7.94	8.81	9.33	9.45	9.34	8.91	8.66	8.25	8.13
Fayette County Board of Education	23.42	21.65	21.60	21.45	21.45	21.45	21.35	21.10	20.85	20.85
State of Georgia	0.25	0.25	0.25	0.20	0.15	0.10	0.05	-	-	-
Total	31.61	29.84	30.66	30.98	31.05	30.89	30.31	29.76	29.10	28.98

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



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

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wencor LLC	\$ 28,909,796	1	0.47%	\$ -		0.00%
Coweta Fayette EMC	26,613,685	2	0.44%	-		0.00%
Brent Scarbrough	20,979,295	3	0.34%	-		0.00%
Walmart Stores Inc	20,682,435	4	0.34%	-		0.00%
Georgia Power Company	17,813,249	5	0.29%	-		0.00%
Hoshizaki America Inc	16,495,749	6	0.27%	11,127,499	6	0.21%
Fayette County Development & Authority	15,875,504	7	0.26%	-		0.00%
Cooper Lighting	14,214,284	8	0.23%	-		0.00%
Pinewood Atlanta LLC	14,070,827	9	0.23%	-		0.00%
Atlanta Gas Light	13,455,123	10	0.22%	-		0.00%
NCR Corporation	-		0.00%	31,106,661	1	0.58%
DDRTC Fayette Pavilion III & IV & C/O Development	-		0.00%	21,159,456	2	0.40%
DDRTC Fayette Pavilion I & II & C/O Development	-		0.00%	20,560,360	3	0.38%
DDRTC Fayette Pavilion I & II & C/O Development	-		0.00%	14,108,840	4	0.26%
Matsushita Communication Corp	-		0.00%	12,295,210	5	0.23%
Summit Properties Partnership	-		0.00%	9,865,200	7	0.18%
CP Venture Five - APC LLC & Cousins Prop	-		0.00%	8,863,560	8	0.17%
Alcan Packaging-Atlanta	-		0.00%	8,688,146	9	0.16%
KRG Kedron Village LLC & C/O Daniel R	-		0.00%	8,608,064	10	0.16%
Sub-Total Top Ten Taxpayers	\$ 189,109,947		3.10%	\$ 146,382,996		2.74%
Total Other Taxpayers	5,919,051,053		96.90%	5,198,094,780		97.26%
Total Assessed Value - All Taxpayers	\$ 6,108,161,000		100.00%	\$ 5,344,477,776		100.00%

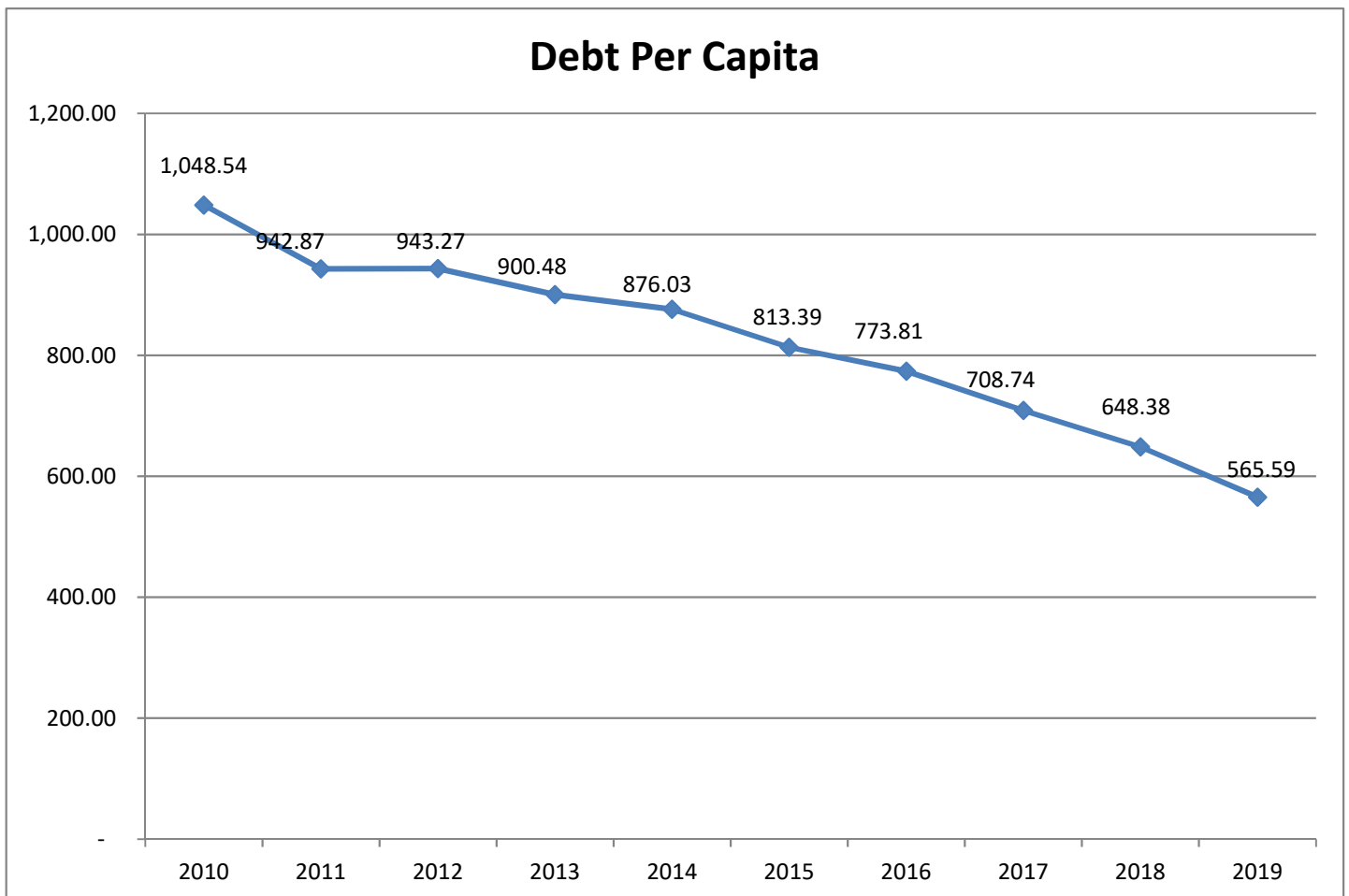
Source: Fayette County Tax Commissioner

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 (2)
	Revenue Bonds	Certificates of Participation	Capital Lease Obligations	Water Revenue Bonds			
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
2019	28,673,759	601,000	-	37,465,280	66,740,039	0.93%	565.59

(1) Source: The Bureau of Economic Analysis

(2) Source: Resolution by the Atlanta Regional Commission Approving Annual Population Estimates



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, 2019

<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)	\$ 65,248,220	100%	\$ 65,248,220
Peachtree City (b)	425,000	100%	<u>425,000</u>
Subtotal for Overlapping Debt			<u>65,673,220</u>
Capital Leases	601,000	100%	601,000
Fayette County Public Facilities Authority	28,673,759	100%	\$ 28,673,759
Subtotal for Direct Debt			<u>29,274,759</u>
Total Direct and Overlapping Debt			<u>\$ 94,947,979</u>

(a) Data provided by Fayette County Board of Education FY2018 CAFR online.

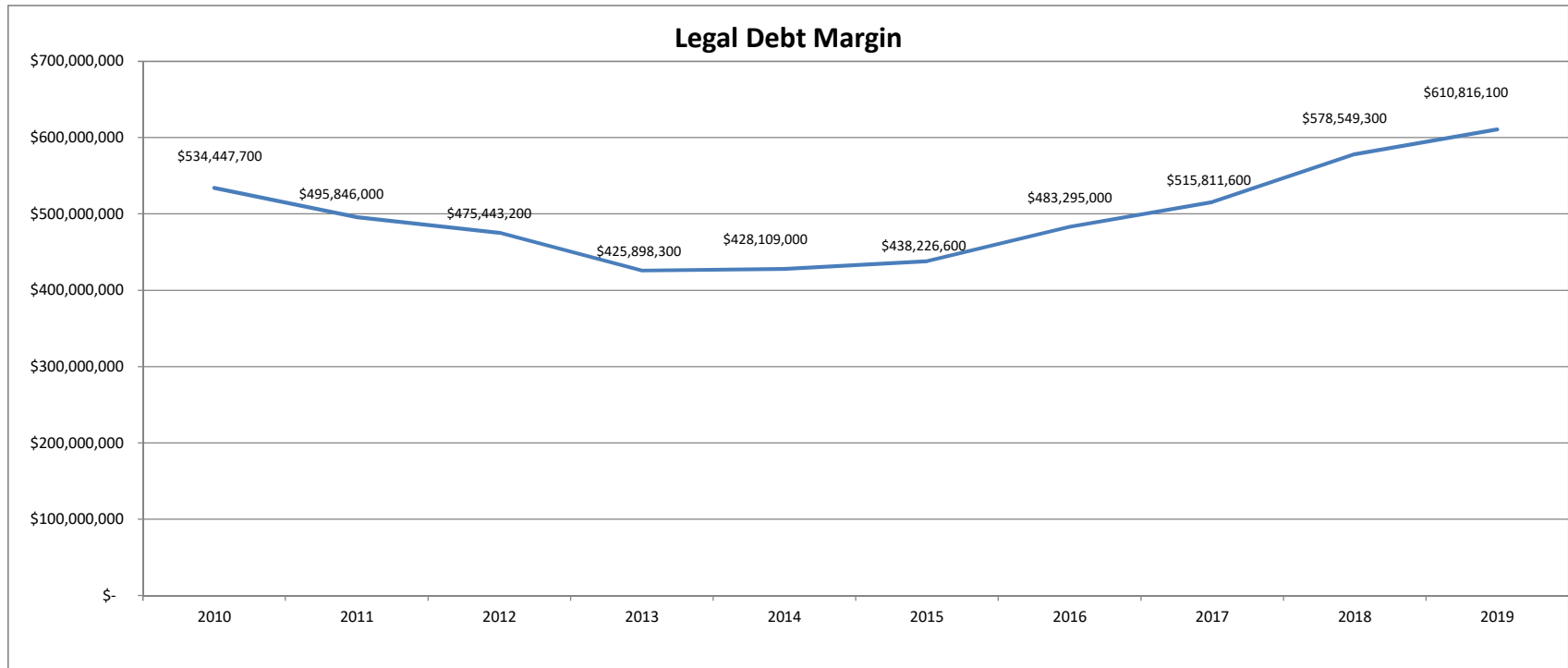
(b) Per the Peachtree City FY2018 CAFR online.

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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Legal Debt Margin Calculation:										
Net Assessed Value of Property (amounts in \$1,000 increments)	\$ 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	\$ 6,108,161
Debt Limit (10% of Net Assessed Value) (amounts in \$1 increments)	\$ 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	\$ 610,816,100
Less: Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Add: Debt Service Funds Available	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 610,816,100
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.



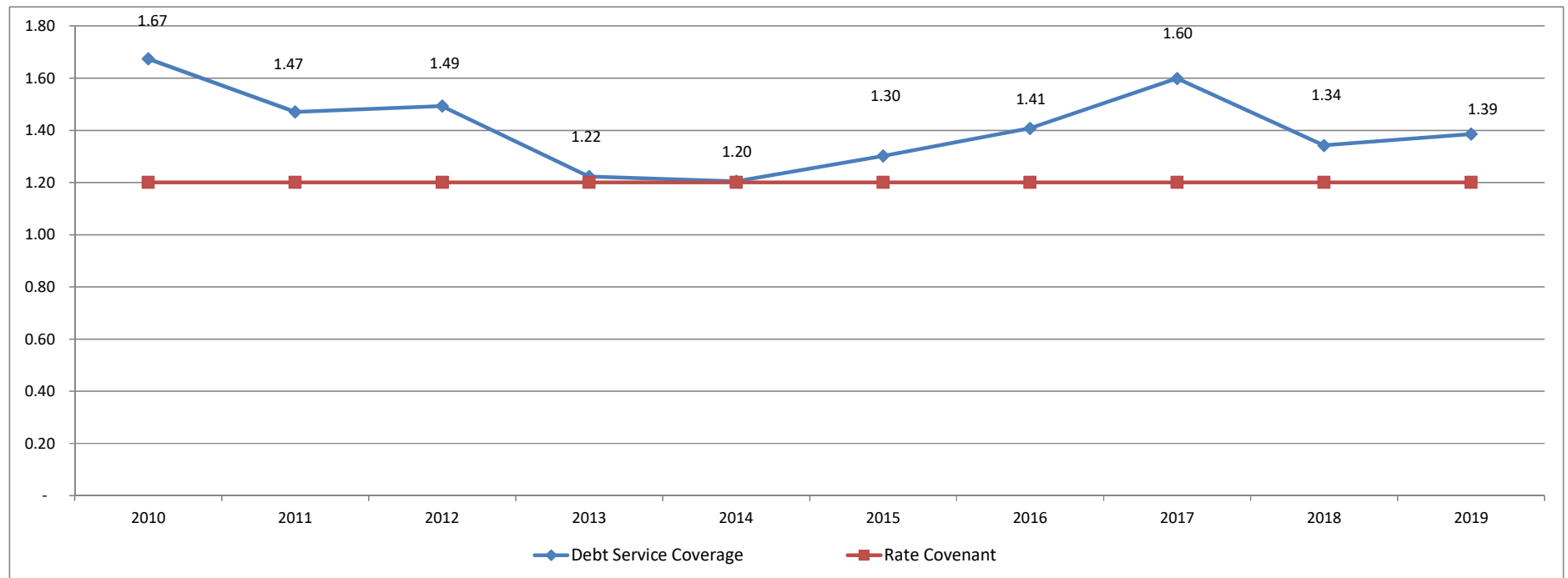
**Fayette County, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years**

	<u>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>	<u>2019</u>
Gross Revenues (1)	\$ 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	\$ 16,115,719
Reasonable and Necessary Operating Costs (2)	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	8,784,808
Net Revenue Available for Debt Service (3)	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	7,330,912
Debt Service Payments	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	5,290,975
Coverage	1.67	1.47	1.49	1.22	1.20	1.30	1.41	1.60	1.34	1.39

(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.

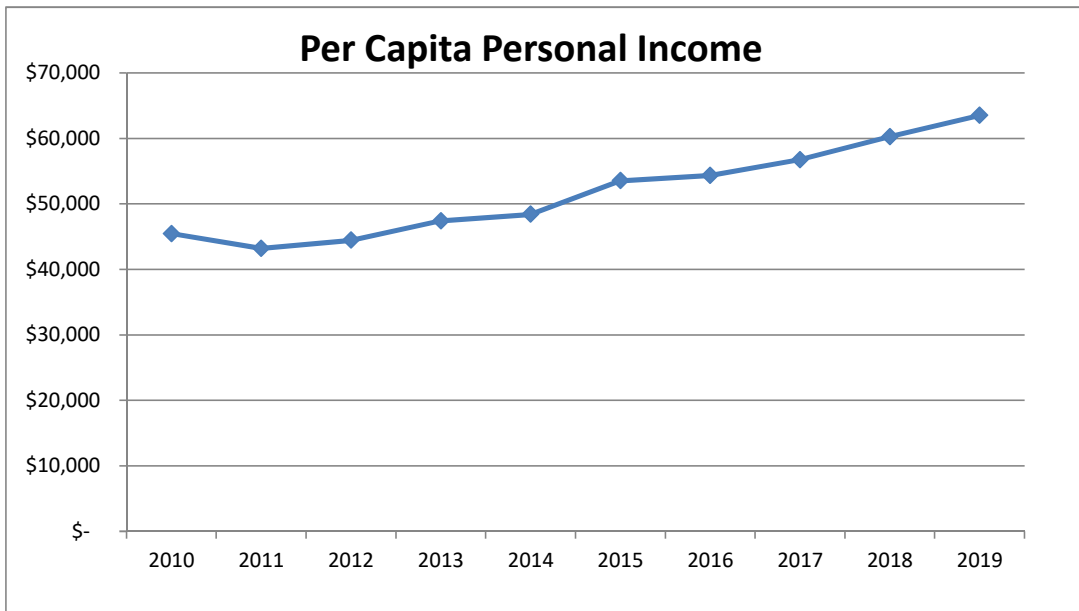


**Fayette County, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) Median Age	(4) School Enrollment*	(5) Unemployment Rate
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%
2019	118,000	7,206,314,000	63,515	42	20,520	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: HomeFacts

*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**

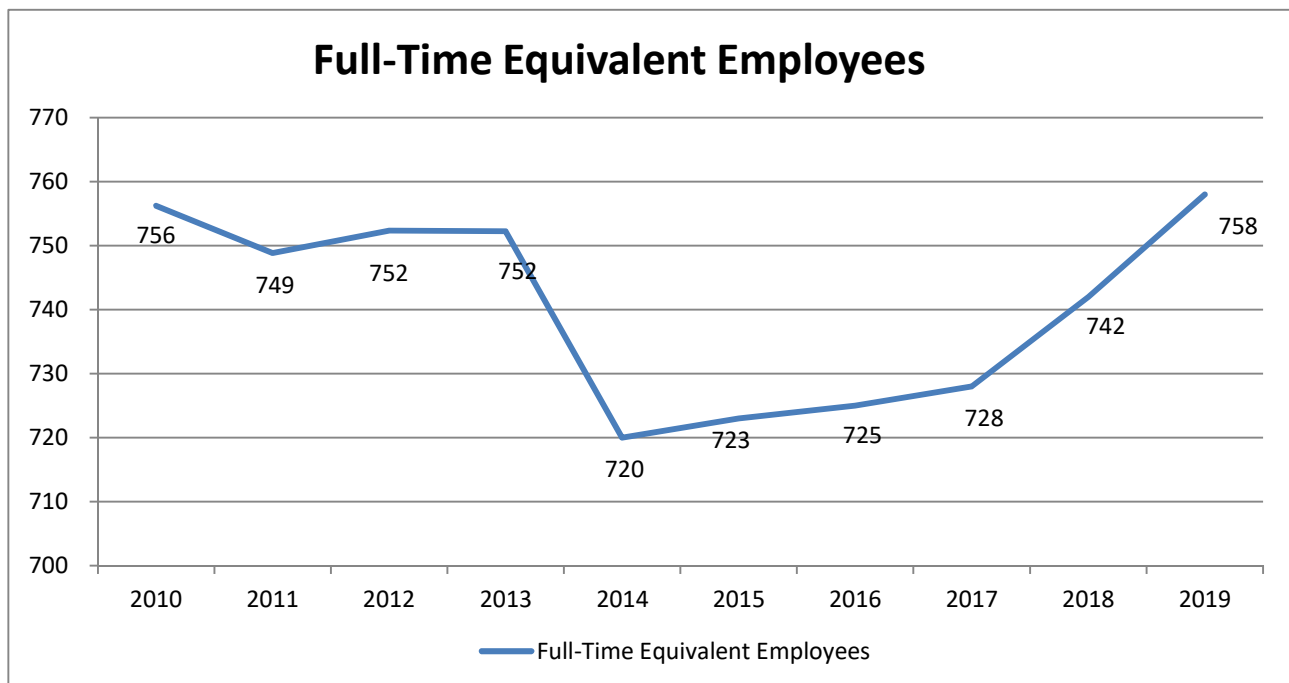
Private Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment
Piedmont Fayette Hospital	1,700	1	3.04%	930	2	2.01%
Panasonic Automotive Systems Co.	800	2	1.43%	1,200	1	2.59%
Eaton Lighting Solutions	650	3	1.16%	-		
WalMart Supercenter	427	4	0.76%	-		
Hoshizaki America Inc.	400	5	0.71%	425	5	0.92%
WalMart	400	6	0.71%	-		
Ply Gem Industries Inc/Windows Division	250	7	0.45%	-		
Gerresheimer Peachtree City LP	250	8	0.45%	-		
Concordia Nursing & Rehab Center	210	9	0.38%	-		
Publix	200	10	0.36%	-		
Cooper Lighting				650	3	1.41%
NCR				550	4	1.19%
World Airways				275	6	0.59%
TDK Components				210	7	0.45%
APAC - Georgia				200	8	0.43%
FAA Tracon				190	9	0.41%
Alenco, Inc				181	10	0.39%
Total	5,287		9.44%	4,811		10.40%

Source: Fayette County Development Authority
(1) Calculated using Total Labor Force

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	113	111	112	112	104	106	104	104	105	111
Judicial System	56	56	59	59	56	56	56	56	59	59
Public Safety:										
Animal Control	7	7	5	5	5	6	6	7	7	8
Coroner	3	3	3	3	3	3	3	4	4	4
Emergency 911	36	36	36	36	36	36	35	35	36	36
Emergency Services	47	47	47	43	43	37	37	37	37	39
Fire	105	105	105	105	99	105	105	105	105	109
Marshal	11	11	11	11	-	-	-	-	-	-
Emergency Management	-	-	-	4	3	3	3	3	3	3
Sheriff	230	230	230	231	227	227	228	228	228	230
Total Public Safety	438	438	437	438	416	417	416	419	420	429
Public Works:										
Roads	48	45	45	45	43	43	44	44	46	47
Water System	62	61	61	61	65	63	66	66	69	70
Stormwater	5	5	5	5	5	5	7	7	8	8
Solid Waste Management	1	1	1	1	1	1	1	1	1	1
Total Public Works	116	112	112	112	114	112	118	118	124	126
Housing and Development	14	14	14	13	12	14	13	13	15	15
Culture and Recreation	18	17	18	18	18	18	18	18	19	20
Total	756	749	752	752	720	723	725	728	742	758

Source: Fayette County Budget Document



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

<u>FUNCTION</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>	<u>2019</u>
General Government:										
Number of Registered Voters	75,448	76,980	79,710	73,572	80,001	83,295	84,827	83,511	84,021	93,293
Number of Parcels Assessed	42,479	42,479	42,134	42,179	42,325	42,328	42,493	42,920	43,407	43,779
Judicial System:										
State Cases	2,294	2,325	1,805	3,354	2,101	4,017	4,487	5,708	5,067	4,587
Superior Cases	887	900	513	3,347	3,981	5,133	4,791	4,559	5,007	4,346
Magistrate Cases	-	-	-	4,759	4,481	4,550	6,762	5,197	6,087	5,759
Firearms Licenses	1,342	1,472	1,903	2,936	2,301	2,527	3,010	3,019	3,012	2,815
Juvenile Cases Filed	1,379	1,379	1,108	1,105	1,022	1,229	1,039	1,019	872	900
Marriage Licenses	617	619	600	656	617	587	657	707	639	571
Real Estate Instruments Filed	18,800	18,800	16,236	19,942	21,214	15,525	17,833	18,885	18,166	17,394
Public Safety:										
Average Daily Jail Population	256	256	292	255	246	263	280	296	269	241
Fire/EMS Dispatch (1)	12,797	13,441	12,954	11,240	14,077	14,997	7,785	16,391	16,382	16,342
Law Enforcement Dispatch (1)	45,554	45,950	46,236	46,841	46,520	58,504	48,053	46,180	45,376	46,741
Public Works:										
Number of Vehicles Serviced	484	336	348	354	371	387	399	406	368	359
Street Maintenance (Miles)	576	529	528	529	530	520	522	559	556	581
Water Production (MGD))	7.8	7.8	8.7	8.4	7.9	8.1	9.4	10.3	9.5	9.3
Water System Customers	27,493	27,698	27,881	28,002	28,927	28,486	29,585	29,988	30,558	31,042
Housing and Development:										
Building Permits Issued	632	632	713	186	185	224	215	182	198	127
Culture and Recreation										
Monthly Circulation of Library Materials	55,181	42,400	53,601	27,681	35,306	28,525	22,000	26,439	29,297	37,657
Number of Programs and Classes Offered	497	497	549	619	802	581	534	458	373	532
Reference Questions Answered Monthly	10,417	11,436	2,594	2,925	2,984	3,266	3,268	8,036	8,094	8,943

Source: Fayette County Budget Document
Source: Department statistical data

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

Function	<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>	<u>2019</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	158	158	160	160	160	145	151	148	144
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works:										
Miles of County Maintained Roads	576.0	529.0	528.0	529.2	530.0	520.5	521.7	523.1	524.0	525.0
Miles of Road Resurfacing	26.2	25.0	33.2	14.1	12.9	16.1	18.2	30.5	31.8	19.3
Culture and Recreation:										
Park Acreage	366	366	366	455	455	455	455	455	455	455
Parks	6	6	6	7	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, 2019

<u>Property Coverages</u>	<u>Amount In Force</u>
Property (1)	\$ 150,116,584
Other Equipment	43,624,653
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	\$ 3,000,000
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.