



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

FAYETTE COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014



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For the Fiscal Year Ended June 30, 2014

*Prepared by the
Fayette County Finance Department*



Fayette
COUNTY

"WHERE QUALITY
IS A LIFESTYLE"

INTRODUCTORY SECTION

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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

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"WHERE QUALITY
IS A LIFESTYLE"

December 23, 2014

Honorable Steve Brown, 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, 2014, 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, 2014, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified (i.e., clean) opinion that the Fayette County, Georgia's financial statements for the fiscal year ended June 30, 2014, 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 109,500 citizens. Some of the services which are available to at least a portion of those residents include police and fire protection; emergency medical services; court systems; library services; the construction and

maintenance of highways, streets and infrastructure; fleet maintenance; buildings and grounds maintenance; tax assessment and collection; planning and zoning; building permitting and inspections; recreational activities and cultural events; and inherent administrative support services.

The County also operates a potable water distribution system, a solid waste management system and a stormwater utility, which are shown as Enterprise Funds in this report. The Water System was established in 1965 and serves 28,927 customers in the unincorporated areas of the County and through the County owned distribution systems in the City of Peachtree City and the Towns of Tyrone and Woolsey. And by contractual agreement, the County operates the system owned by the Town of Brooks. The Water System also wholesales water to the City of Fayetteville pursuant to a wholesale water contract which expires in 2034.

PROFILE OF THE GOVERNMENT

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

The governing authority of Fayette County is a Board of Commissioners consisting of five elected members. The commissioners serve on a part-time basis and are elected to staggered terms of four years. While all five commissioners are elected at large, three must reside in the district designated for their particular post. At their first meeting each calendar year, the Commission Chairman and Vice-Chairman are selected by the Board.

In their policy making capacity, the Board of Commissioners is authorized to levy taxes; direct and control all property of the County; establish, alter, or abolish roads and bridges; fill vacancies in County offices unless others are empowered to do so; examine, settle and allow claims against the County; examine and audit the accounts of all officers having the care, management, keeping, collection, or disbursement of money belonging to the County; establish the cost of licenses; and make such rules and regulations as necessary for the protection and preservation of health, safety, welfare, and morals. The Board of Commissioners appoints the County Administrator who serves as the County's chief administrative officer. The County Administrator is responsible for the daily operations of all County functions in accordance with the policies of the Board of Commissioners.

DISTINGUISHING ATTRIBUTES OF FAYETTE COUNTY

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

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.

For a number of years, the County's official letterhead has contained the phrase, "Where Quality is a Lifestyle". The County is considered by many to be the "crown jewel" of Metro Atlanta's many fine communities and thus is the destination many residents have chosen as their retirement home. Being considered a relatively safe community is a critical "quality of life" attribute provided by our public safety efforts. For example, Fayette County's crime rate per thousand of population measured 15.7 for the period covering July 1, 2013 to June 30, 2014. To put that number in perspective, it is almost half of the national average of 31.0. And the ISO rating that the County's Fire Department has attained for its service level results in our residents paying less for their home insurance premiums.

The United States Census Bureau estimates the median age of the County's population to be 42.7 years. Further breakdown reveals that 13.7 percent of our population is over 65 years of age which is about 2.5 percent higher than the other Metro Counties. To help serve the medical needs of this older population, the Piedmont Fayette Hospital is a 172-bed state-of-the-art facility that opened in September of 1997 and provides a full range of health services.

Fayette County also boasts of having an excellent education system for the children that live in the community. According to the United States Census Bureau, 94.3 percent of Fayette County students completed high school in Fayette County compared to a State-wide average of 84.7 percent. And of those Fayette County residents that received their high school diploma, 42.6 percent obtained a bachelor's degree or higher. The 2014 average Scholastic Aptitude Test (SAT) scores for Fayette County students was 1,561 and compares quite favorably to the State average of 1,445 and the National average of 1,497. The American College Testing (ACT) scores reported were 23.2 for Fayette County, 20.8 for Georgia and 21.0 Nationwide. Fayette County also outpaces the State and Nation in the number of students passing Advanced Placements (AP) exams at 74 percent while Georgia is 56 percent and the Nation 59 percent.

ECONOMIC CONDITIONS

Environmental Scan: The local economic conditions and operating environment for Fayette County, Georgia are often times directly or indirectly impacted by not only what is occurring in the United States but also globally. Thus, performing an environmental scan can certainly be helpful in establishing the proper perspective for any economic analysis on the local level. Some of the more important economic metrics in regards to financial activity in the third quarter of calendar year 2014 are highlighted in the following bullet points:

- Real gross domestic product (GDP) increased 3.9 percent in the third quarter of 2014 after increasing 4.6 percent in the second quarter;
- Consumer spending on goods increased 2.2 percent reflecting a continued upturn in goods and services;
- Residential housing investment continued to climb as sales of new and existing single-family structures increased by 7.6 percent over last year;
- Business investment rose, notably equipment and intellectual property products; and
- Growth in export of goods, industrial supplies and materials, indicate an increase in global economic momentum.

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

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

Again, in performing a more localized environmental scan, Fayette County has an outstanding labor force, abundant higher education opportunities, a favorable business climate, a wide range of leisure opportunities and high quality housing. Each of these factors continues to make Fayette County an attractive place to live, work and play.

According to the Georgia Department of Labor, 62.1 percent of the labor force in Fayette County had at least some college training. Another 24.9 percent were either high school graduates or had obtained their GED. Based on those education numbers, it can be said that Fayette County's labor force is a highly skilled one.

Numbers for 2013 as published by the Georgia Department of Labor indicate that there were 49,067 employed residents in Fayette County. Of that number, 43.9 percent worked at jobs located in the County. Conversely, that means that 56.1 percent commuted outside the County for employment. The two most frequent destinations for Fayette County's work force were 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 2013, there was an average of 3,583 industries located in Fayette County that produced 38,829 jobs. Of that total, 484 industries were labeled as "Goods Producing" and accounted for 5,365 jobs or 13.8 percent of the total. By far, the largest component was the "Service Providing" industries. That segment totaled 2,833 firms and represented 28,427 jobs or 73.2 percent of the total. Based on those numbers, it can also be said that Fayette County has a fairly broad industry mix and its economic well-being is not dependent on the success of any one employer or industry.

In looking at the effects of previous recessions, Atlanta and the Metro region have been able to weather them with comparative ease. In the past, the Atlanta business community has benefited from several strengths of the region which include having a diverse economic base; experiencing strong in-migration and population growth; serving as a transportation, distribution and cultural center; and offering a business-friendly environment. These factors have contributed to the continuing economic recovery in the region. Unemployment is down. Property values are slowly rising contributing to increased tax collections. And recent legislation has made the state more competitive.

Forecasts predict continued favorable changes in economic indicators such as GDP, job growth and home starts. Numbers of foreclosures and distress sales have declined while construction permit activity has increased. Additionally, construction of Pinewood Studios and Calpis America has strengthened the County's economy. The United Kingdom's Pinewood Studios is comprised of six sound stages ranging from 15,000 to 30,000 square feet and 300,000 square feet of workshop, office and production support facilities on 288 acres. Phases II & III will add 600,000 square feet of stages, 70 acres of additional offices, warehouse and service providers space as well as an educational component encompassing up to 74 acres. An independent

economic study based on GA Tech's economic model estimated 3,400 jobs with a total impact of \$378m per year.

Calpis America has begun operations in a \$20m manufacturing and US headquarter facility. Calpis Co., Ltd is headquartered in Tokyo and is a manufacturer of dietary supplements and animal feed additives. The site covers 12 acres and created 42 new jobs in its first year of operations beginning in mid-2014.

The economic outlook for Fayette County remains stable as a result of cost cutting initiatives and direction by new leadership to eliminate deficit budgeting. This proactive approach has positioned the County to be able to face the current economic climate and maintain a strong financial position. Property values have stabilized somewhat resulting in an increase in the 2014 tax digest of 1.7 percent. One of the benefits of having a skilled work force is that the unemployment rate continues to remain lower than the state average and only slightly higher than the national average. For October 2014, the rate for Fayette County was 6.3 percent compared to the State average of 7.6 percent and the national average of 5.8 percent.

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

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

- Jobs in Georgia will rise by 2.3 percent;
- GDP is expected to grow by 3.2 percent in 2015; and
- Home prices are projected to increase helping Georgia's financial institutions.

MAJOR INITIATIVES

Fayette County's road system will continue to benefit from revenue provided by the Special Purpose Local Option Sales Tax (SPLOST). The construction of new roads and improvements to existing ones are necessary to ensure the attractiveness of the County going forward as new residents move to the area. During the past fiscal year, construction activities have continued on the West Fayetteville By-Pass, completing the bridge at Whitewater Creek and finalizing the engineering and design to complete the remaining parts of the project. A number of intersection improvements have also been made. As noted earlier, a large percentage of our residents are employed in other counties so a good road system is needed to make the daily commute easier for them. An effective road system is also needed to move those goods being manufactured by our local industries and to attract new businesses. 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. Fayette County was awarded \$591,886 for the 2014 LMIG program.

The SPLOST initiative to fund the cost of maintenance and repairs of all Stormwater structures was defeated by the Fayette citizens in FY2013 and Management continues to assess alternative funding sources. Several Capital Projects were approved to address the repairs needed for the failing Stormwater infrastructure and will be funded via a \$2,000,000 loan from the General Fund. These projects are currently underway throughout the County.

Fayette County continues to strategically position itself for future growth and the maintenance of the current quality of life of our citizens. With the population of the Metropolitan Atlanta Statistical Area approaching 5.5 million, 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 completion of the construction of Lake McIntosh, 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, with the 2014 operating results adding \$3,471,897 to the General Fund balance. This was due in part to careful budget management and cost control.

In August, 2014, Standards and Poor's upgraded its rating on Fayette County from 'AA+' to the highest bond rating assigned 'AAA'. There are only three other Georgia counties with an equal bond rating. This rating is confirmation that the County continues to demonstrate sound financial performance.

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 reduce the 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. Before the recent economic downturn, the fair market value of real property had served as an excellent basis for funding governmental services since it had proven to be extremely stable

and reliable. During the economic downturn period, the fair market value of homes has declined and resulted in a decrease in the tax digest for three straight years. Comparing the taxable digest in 2009 of \$5,457,605,221 to the tax digest of 2012 totaling \$4,301,271,416 measures a 21.2% decline. The tax digests in 2013 and 2014 showed an increase, the first sign of recovery bringing the digest back to a level of \$4,396,642,279. The variance between the high and current value of the digest now measures a 19.4% decline.

Prior to fiscal year 2014, to fund operations of the County, fund balance was extensively used to cover the excess of expenditures over revenues. During FY 2014, the Board of Commissioners adopted cost saving initiatives, to discontinue deficit budgeting, that would not impact service delivery while maintaining no increase in property taxes. The FY 2015 budget, adopted June 26, 2014, continues the 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 2015 adopted budget, \$3,627,628 is projected to come from the Assigned General Fund Balance/Capital Projects to fund projects. Additionally, \$1,501,092 in Bond Proceeds will fund the Old Jail Renovations, while Stormwater projects will be funded by the Stormwater Utility Fund in the amount of \$614,819 and through a \$2M loan from the General Fund. Water System Bond Projects total \$5,676,000 and Water System projects funded from the Utility Fund total \$150,000. Projects funded from Special Revenue Funds total \$607,610 for FY 2015. Capital and CIP Funds to be used for approved projects total \$297,195, and projections also include a \$100,000 Grant. Available funds from prior year projects that were completed or determined to not be a priority was re-appropriated and designated as Contingency project funds to be used for additional projects approved during the fiscal year. Additionally, for FY 2015, the Contingency projects account includes previously approved funds set aside specifically for both the Recreation and Road Departments, totaling \$667,562 and \$1,115,830 respectively. 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.

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 \$602,769 on all investments of the Governmental and Proprietary Fund-Types for the year ended June 30, 2014. 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, 2014, all of the County’s depositories provided sufficient and/or proper collateralization of the County’s deposits. All other collateral on deposits was held either by the County, its agent, or a financial institution’s trust department in the County’s name.

RECENT AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fayette County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2013. The County has received this award for each of the last twenty-one 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 2014. This represents the seventeenth consecutive year that the County has received this particular award. In order to qualify for the award, the County’s budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGMENTS

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

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

Respectfully submitted,

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

Steve A. Rapson
County Administrator

A handwritten signature in black ink, reading "Mary S. Parrott", written in a cursive style.

Mary S. Parrott
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Fayette County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

**Fayette County, Georgia
List of Principal Officials
June 30, 2014**

Elected County Officers

Board of Commissioners:

Post 4, Chairman.....	Steve Brown
Post 1, Vice Chairman.....	Charles Oddo
Post 2	David Barlow
Post 3	Randy Ognio
Post 5	Allen McCarty
Clerk of Courts.....	Sheila Studdard
Probate Court Judge	Ann Jackson
Sheriff.....	Barry Babb
Tax Commissioner	George Wingo
Superior Court Chief Judge.....	Christopher C. Edwards

Principal Officials

County Administrator.....	Steven A. Rapson, CPA
County Attorney.....	Dennis Davenport
Chief Financial Officer	Mary S. Parrott, CPA
County Purchasing Agent	Ted Burgess
County Clerk.....	Floyd Jones
Community Development.....	Pete Frisina
E911 Communications Center.....	Cheryl Rogers
Emergency Management.....	Pete Nelms
Fire & Emergency Medical Services	Chief David Scarbrough
Human Resources	Lewis Patterson
Chief Information Officer	Phillip Frieder
Library	Chris Snell
Parks and Recreation	Anita Godbee
Public Works	Phil Mallon
Tax Assessor.....	Joel T. Benton
Water System.....	Lee Pope

Special Services Providers

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

**Fayette County, Georgia
Board of Commissioners
Fiscal Year Ended June 30, 2014**

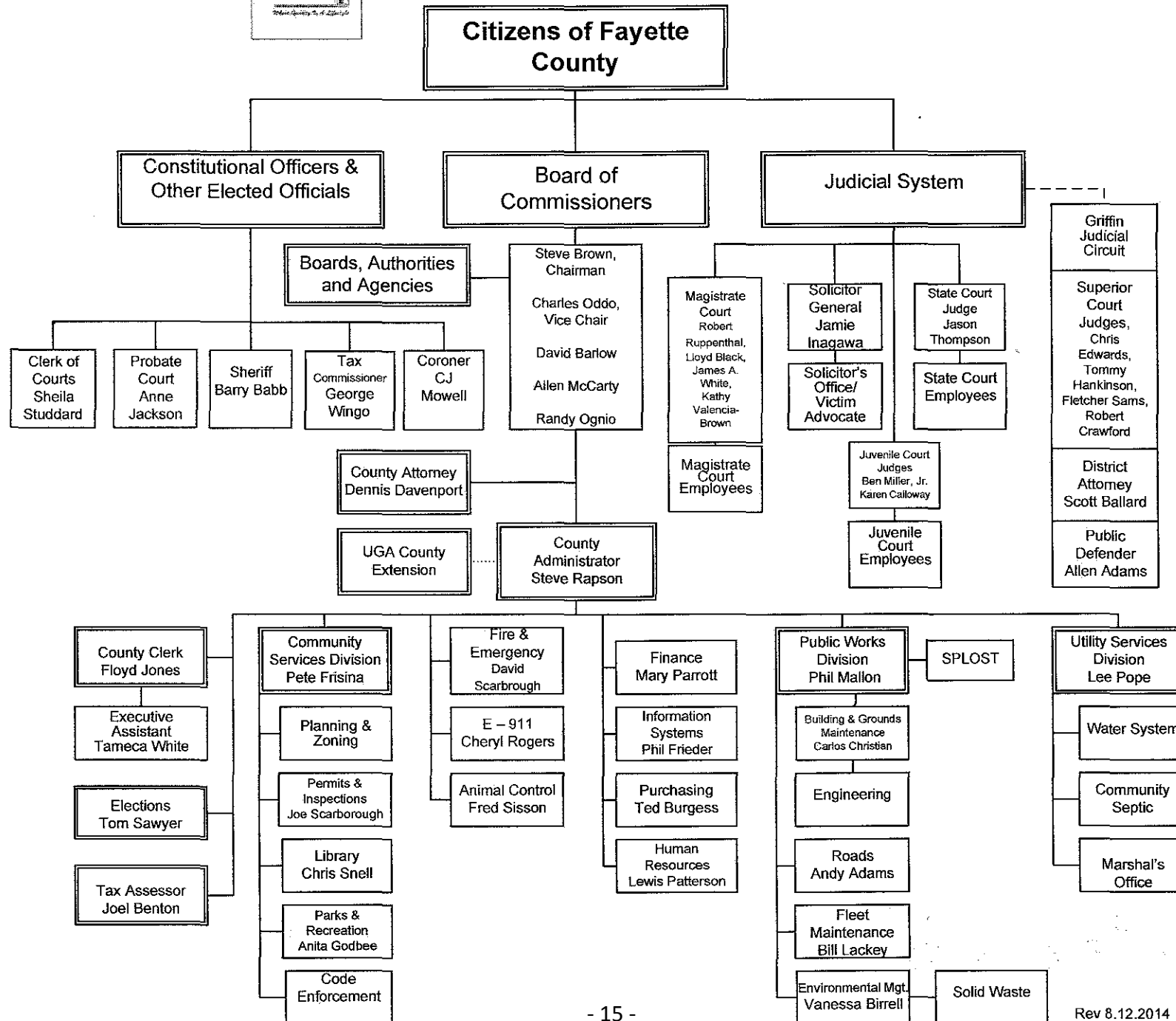


left to right: Steve Brown, David Barlow, Charles Oddo, Allen McCarty, Randy Ognio

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



Fayette County, Georgia 2014 Organizational Chart



**Fayette County, Georgia
Service Delivery Principles
Fiscal Year Ended June 30, 2014**

RESOLUTION 2013-01

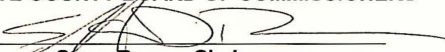
**RESOLUTION OF THE FAYETTE COUNTY COMMISSIONERS
PLEDGE TO CITIZENS AND COUNTY STAFF ON CORE VALUES AND BELIEFS**


- WHEREAS,** upon the inauguration of the 2013 Fayette County Board of Commissioners, 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 it 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 the 2nd day of January 2013 by the

FAYETTE COUNTY BOARD OF COMMISSIONERS


Steve Brown, Chairman


Charles Oddo, Vice Chairman


Allen McCarty, Commissioner


David Barlow, Commissioner

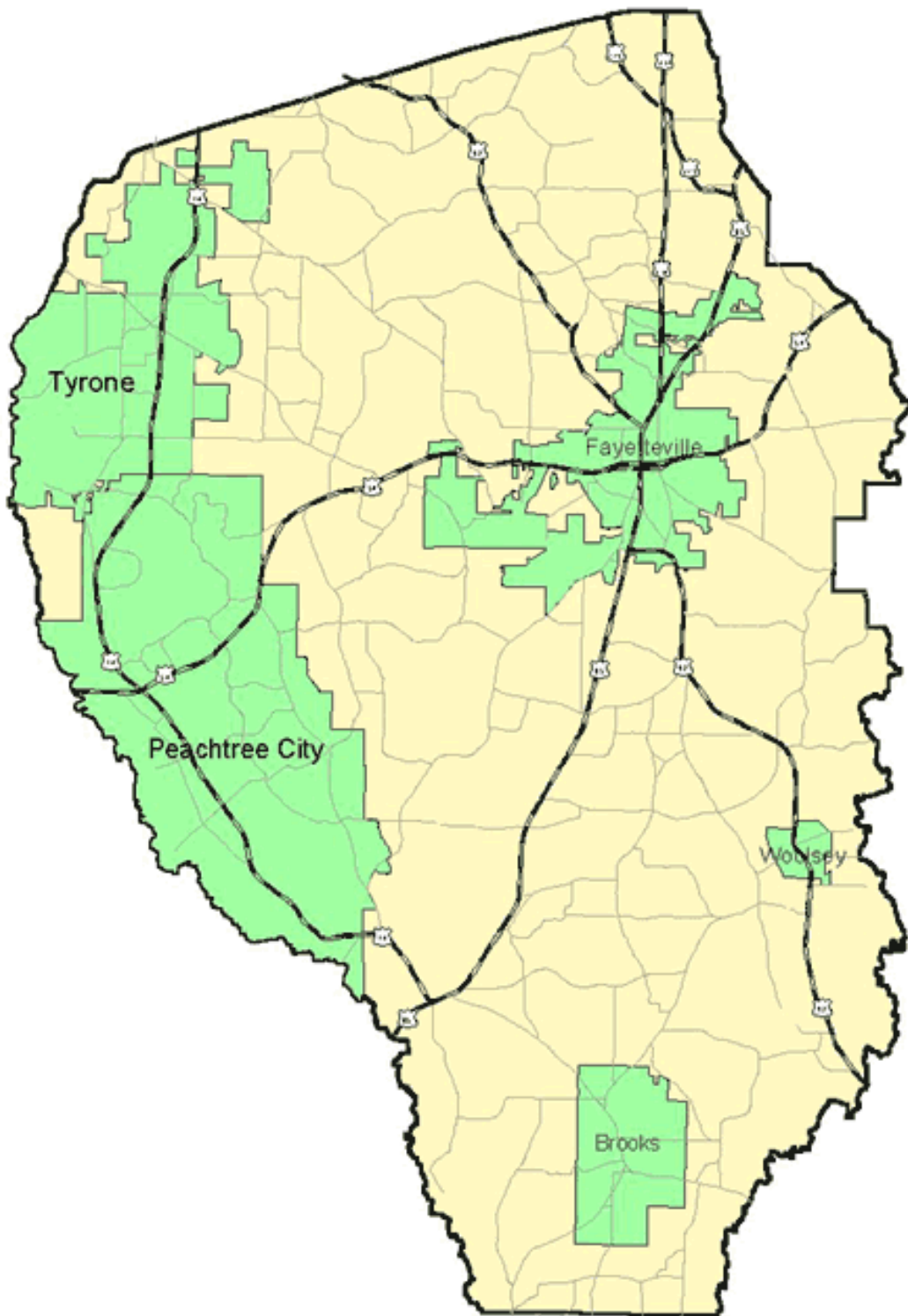

Randy Ognio, Commissioner

Fayette County, Georgia
Map of Metropolitan Atlanta Area
Fiscal Year Ended June 30, 2014



Fayette County

Fayette County, Georgia
Jurisdiction and Road Map of Fayette County
Fiscal Year Ended June 30, 2014





Fayette
COUNTY

"WHERE QUALITY
IS A LIFESTYLE"

FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS



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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 the Fayette County, Georgia, (the County), as of and for the year ended June 30, 2014, 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 Department of Public Health and the Fayette County Development Authority, 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 Department of Public Health and the Fayette County Development Authority is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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, 2014, 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 and the Schedule of Funding Progress on pages 22–39 and 97 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 (as required by Section 48-8-121 of the Official Code of Georgia annotated) and other information, such as the introductory 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 Schedule of Projects Constructed with Special Local Option Sales Tax (as required by Section 48-8-121 of the Official Code of Georgia annotated) 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 Schedule of Projects Constructed with Special Local Option Sales Tax (as required by Section 48-8-121 of the Official Code of Georgia annotated) 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 23, 2014 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 23, 2014

Fayette County, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

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, 2014. The primary purpose of the ensuing discussion and analysis is to provide our Board of Commissioners, our customers, our taxpayers, our bondholders, the bond rating agencies and the other various users of our Comprehensive Annual Financial Report (CAFR) with additional insight into the financial performance of the County and to help place the operational information contained in the basic financial statements in its proper context. We encourage readers to consider the information presented here in conjunction with additional information we have included in our letter of transmittal, which can be found on pages 1 through 11 in the Introductory Section of this report.

Financial Highlights

- The *Assets* of Fayette County, Georgia exceeded its *Liabilities* at June 30, 2014 by \$254,781,484 (*Net Position*). Of this amount, \$48,616,879 (*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, 2014 decreased by \$2,264,236 or about 0.9% compared to the previous year's balance. The main driver for this decrease in *Total Net Position* was utilization of project funds and the resulting added depreciation from projects completed and placed in service.
- At the close of the current fiscal year, the County's Governmental Funds reported combined ending fund balances of \$85,479,407. This amount represented a decrease of \$4,235,368 from the prior year and was principally attributable to expenditures in the SPLOST Road Capital Projects Funds.
- At the end of the current fiscal year, the Unassigned Fund Balance for the General Fund was \$8,689,001. This amount represented about 20.9% of the total of the General Fund's Expenditures and Operating Transfers Out for the 2014 fiscal year. The Unassigned Fund Balance would be sufficient to cover two and one half months' of operations if needed.
- Fayette County's total long-term debt basically remained flat due to no activity other than the regular scheduled payments.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

The *Government-Wide Financial Statements* include not only Fayette County itself (which is referred to as the *Primary Government*), but also legally separate entities for which the County is financially accountable (referred to as *Component Units*). The County's two *Component Units* are the Fayette

County Development Authority and the Fayette County Department of Public Health. These are legally separate entities that are considered component units due to the significance of their operational or financial relationships with the County. Financial information for these *Component Units* is reported separately from the financial information presented for the *Primary Government* itself. The Fayette County Public Facilities Authority, although also legally separate, functions for all practical purposes as a revenue bond debt financing conduit for the County and therefore has been included as an integral part of the *Primary Government*.

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

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

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

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

Fayette County maintains numerous individual governmental funds that are combined into fifteen (15) different funds for reporting purposes. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances* for those considered to be major funds. Based on the criteria set forth in the accounting standards, the major funds were determined to be the following: the General Fund, the Fire Services Tax District Special Revenue Fund, the Emergency Medical Services Tax District Special Revenue Fund and the County-Wide Roads SPLOST Capital Projects Fund. Financial information for the remaining non-major Governmental Funds is aggregated and reported in a single column labeled "Other Governmental Funds". Individual fund data for each of these non-major Governmental Funds is provided in the form of combining statements in the "Combining and Individual Fund Statements and Schedules" section appearing elsewhere in this report.

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

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

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

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

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

The *Proprietary Fund Statements* provide the same type of financial information as the *Government-Wide Financial Statements*, only in more detail. Since there are only three *Enterprise Funds*, each of them is presented on the face of the *Proprietary Funds Financial Statements*. Again based on the criteria established in the accounting standards, the Water System is the only one considered to be a major fund of the County with the other two being identified as non-major funds in the headers of those financial statements.

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 52 through 57 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 57 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 58 through 96 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 97 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 98 through 116 of this report.

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

Government-Wide Financial Analysis

Analysis of Net Position

As noted earlier, *Net Position* may serve over time as a useful indicator of a government's financial position. In the case of Fayette County, *Assets* exceeded *Liabilities* by \$254,781,484 at the close of the most recent fiscal year. The condensed financial information for Fayette County, Georgia's *Net Position* as of June 30, 2014 and 2013 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>	
	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>
Current and Other Assets	\$99,840,337	\$102,132,518	\$ 28,426,828	\$ 28,429,223	\$128,267,165	\$130,561,742
Capital Assets (Net)	<u>119,813,024</u>	<u>119,443,150</u>	<u>109,977,259</u>	<u>112,783,665</u>	<u>229,790,283</u>	<u>232,226,815</u>
Total Assets	<u>219,653,361</u>	<u>221,575,668</u>	<u>138,404,087</u>	<u>141,212,889</u>	<u>358,057,448</u>	<u>362,788,557</u>
Deferred Outflows of Resources	<u>2,843,920</u>	-	<u>1,180,344</u>	-	<u>4,024,264</u>	-
Long-Term Liabilities Outstanding	40,649,162	39,155,814	52,587,566	54,934,217	93,236,728	94,090,031
Other Liabilities	<u>8,141,803</u>	<u>5,733,139</u>	<u>5,921,697</u>	<u>5,919,667</u>	<u>14,063,500</u>	<u>11,652,806</u>
Total Liabilities	<u>48,790,965</u>	<u>44,888,953</u>	<u>58,509,263</u>	<u>60,853,884</u>	<u>107,300,228</u>	<u>105,742,837</u>
Net Investment in Capital Assets	84,415,940	82,924,362	61,521,377	62,729,861	145,937,317	145,654,223
Restricted	45,851,519	50,612,241	14,375,769	14,380,299	60,227,288	64,992,540
Unrestricted	<u>38,564,421</u>	<u>32,312,121</u>	<u>47,145,608</u>	<u>48,349,562</u>	<u>85,710,029</u>	<u>80,661,683</u>
Total Net Position	<u>\$173,706,316</u>	<u>\$176,686,715</u>	<u>\$81,075,168</u>	<u>\$80,359,005</u>	<u>\$254,781,484</u>	<u>\$257,045,720</u>

As indicated by the tabular information above, the largest portion of the County's *Net Position* (i.e., 57.3% 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 \$229,790,283 in *Capital Assets* (net of accumulated depreciation) that are owned by the County represents 64.2 percent of its *Total Assets*. As part of its on-going operations, these capital assets have to be maintained, insured for any associated risks and replaced at the end of their useful lives.

In reviewing the other components of the County's *Net Position*, *Restricted Net Position* was \$60,227,288 which translates into 23.6 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 \$45,851,519 primarily represents the unencumbered assets of the Special Revenue Funds that are restricted to specific purposes or programs due to their sources of funding, the proceeds from the certificates of participation that are restricted to debt service, and the two SPLOST Capital Projects Funds whose current positions are restricted to highway and bridge construction projects. And for the *Business-Type Activities*, the \$14,375,769 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 was \$48,616,879 and represents roughly 19 percent of the total. *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.

There was an increase of \$288,745 in *Unrestricted Net Position* reported in connection with the County's *Governmental Activities*. This confirms the County's stability with managing funds at a consistent level.

In the *Business-Type Activities* component, there was an increase \$1,929,177 in *Unrestricted Net Position*. The principal reason for this increase was the reduction in long-term debt offset by the increased depreciation expense from last year's capitalization of Lake McIntosh.

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, 2014 and 2013. As indicated by the information in the table, the Net Position for the fiscal year ended June 30, 2014 decreased by \$2,264,236. These most recent operating results compare favorably with the prior year when Net Position decreased by \$9,223,785.

FAYETTE COUNTY, GEORGIA'S CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Revenues:						
Program Revenues:						
Charges For Services	\$ 10,654,210	\$8,911,514	\$14,515,837	\$14,253,657	\$25,170,047	\$23,165,171
Operating Grants and Contributions	486,585	287,451	--	--	486,585	287,451
Capital Grants and Contributions	1,951,495	1,181,470	776,055	332,659	2,727,550	1,514,129
General Revenues:						
Property Taxes	34,950,569	34,853,932	--	--	34,950,569	34,853,932
Sales Taxes	9,998,908	9,968,049	--	--	9,998,908	9,968,049
Other Taxes	3,228,724	3,205,096	--	--	3,228,724	3,205,096
Unrestricted Investment Earnings	442,146	97,882	10,489	15,089	452,635	112,971
Miscellaneous Revenues	337,545	287,887	159,906	20,868	497,451	308,755
Total Revenues	62,050,182	58,793,281	15,462,287	14,622,273	77,512,469	73,415,554
Expenses:						
General Government	8,840,389	8,231,193	--	--	8,840,389	8,231,193
Judicial System	5,974,701	6,530,318	--	--	5,974,701	6,530,318
Public Safety	35,118,613	36,652,065	--	--	35,118,613	36,652,065
Public Works	7,921,320	10,336,908	--	--	7,921,320	10,336,908
Health and Welfare	826,969	759,250	--	--	826,969	759,250
Culture and Recreation	3,119,068	2,578,096	--	--	3,119,068	2,578,096
Housing and Development	1,223,384	1,259,508	--	--	1,223,384	1,259,508
Interest and Fiscal Charges	1,709,636	1,791,865	--	--	1,709,636	1,791,865
Water System	--	--	14,604,741	13,856,941	14,604,741	13,856,941
Solid Waste	--	--	348,225	249,551	348,225	249,551
Stormwater Utility	--	--	89,659	393,644	89,659	393,644
Total Expenses	64,734,080	68,139,203	15,042,625	14,500,136	79,776,705	82,639,339
Increase (Decrease) in Net Position						
Before Transfers	(2,683,898)	(9,345,922)	419,662	122,137	(2,264,236)	(9,223,785)
Transfers	(296,501)	--	296,501	--	--	--
Increase (Decrease) in Net Position	(2,980,399)	(9,345,922)	716,163	122,137	(2,264,236)	(9,223,785)
Net Position – Beginning	176,686,715	186,032,637	80,359,005	80,236,868	257,045,720	266,269,505
Net Position – Ending	\$173,706,316	\$176,686,715	\$81,075,168	\$80,359,005	\$254,781,484	\$257,045,720

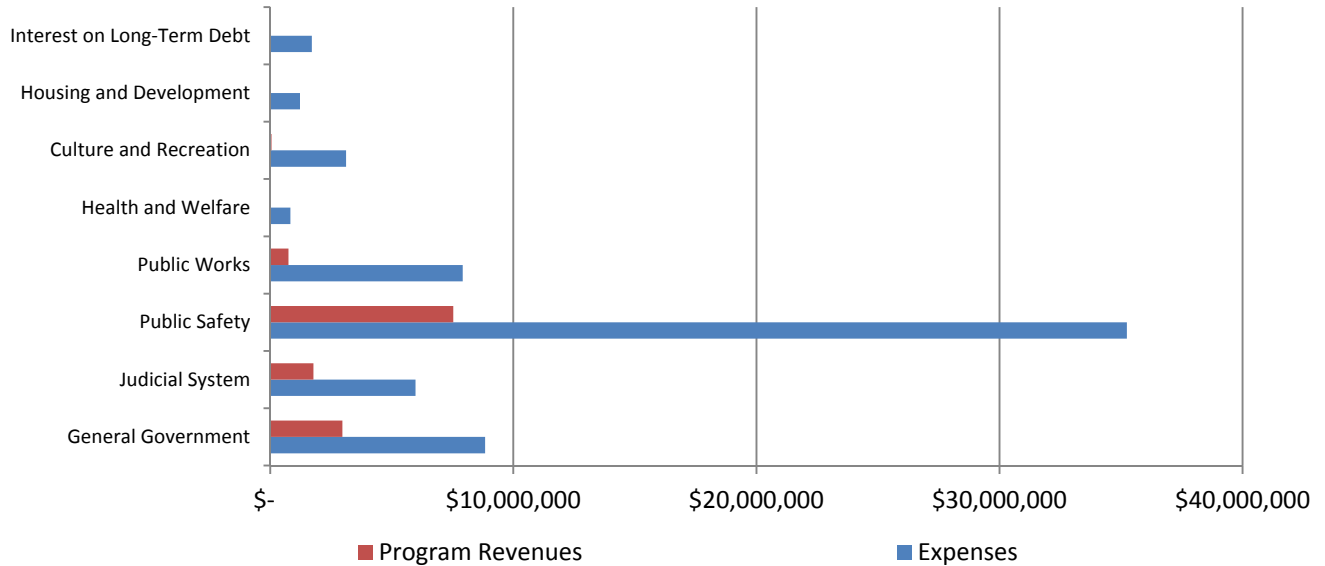
Governmental Activities. Of the net decrease of \$2,264,236 in Net Position for the fiscal year ended June 30, 2014, \$2,980,399 was attributable to the *Governmental Activities* while the Business-Type Activities experienced an increase of \$716,163. In comparing the operating results between the two fiscal years, \$9,223,785 versus \$2,264,236, the more significant points are discussed below:

- The *Charges for Services* category increased by \$2,004,876 from the prior year's amount. The majority of this change occurred in general government due to an increased number of building permits issued and the associated fire impact and plan reviews fees adding an additional \$300,000 and a change in the accounting treatment of general government administrative costs incurred on behalf of other funds resulted in a \$1.1M increase in revenues with the same increase in expenditures, no impact to the net position. Lastly, an increase in Stormwater fees of \$611,232 rounds out the difference with a catch-up on billing and recognition of those funds becoming available for specific Stormwater projects currently underway.
- Grants and contributions activity significantly increased over last year bringing in additional funding of \$1.4M. \$662,805 was related to the construction of a new Emergency Operations Center and \$77,000 was a contribution towards the E-911 system upgrade. \$400,000 was an increase in water meters. The County became the fiscal agent for programs previously handled by other agencies and included Drug Court, \$150,000, and Family Connection, \$33,000. And last, the County was successful in obtaining reimbursement from GEMA/FEMA in the amount of \$108,000 for costs incurred during the ice storm experienced in metro Atlanta.
- An increase of \$339,664 in the *Unrestricted Investment Earnings* category is attributable to a combination of a positive return in market values of investments held by the County and a change in accounting procedure where service charges are no longer netted with interest earned.
- Another category showing an increase was miscellaneous revenues by \$188,696 and was mainly a result of additional funding to establish a medical stabilization program.

Of the \$6,959,549 change year over year, revenues accounted for \$4.1M while expenditures made the remaining \$2.9M. This reduction in expenditures was due to the non-funding of the defined pension plan during FY2014 as a result of overfunding in FY2013.

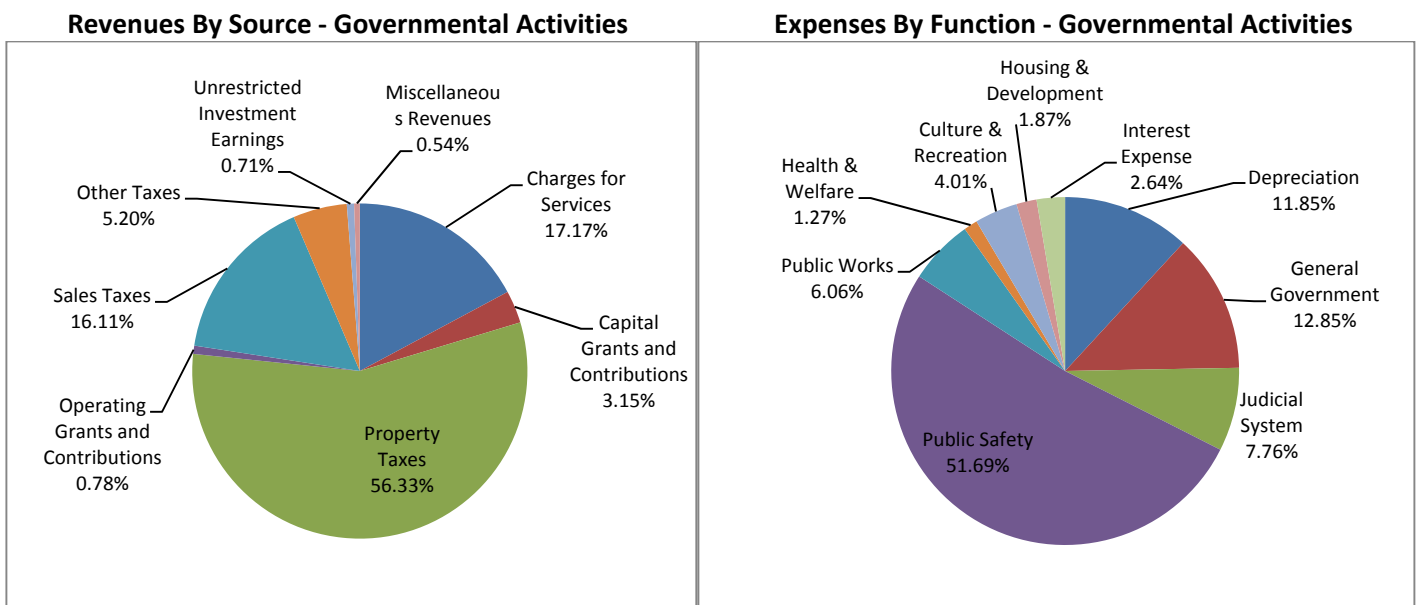
The chart provided below shows the relationship of functional expenses and the related program revenues that are generated to offset some of the expense of providing that service. Out of the \$64,734,080 in Total Governmental Activities Expenses for the 2014 fiscal year, \$13,092,290 is covered by Program Revenues. The net functional expenses of \$51,641,790 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, 2014. As one might expect in the case of providing governmental services, the largest source is the Property Tax category. The second chart depicts the relative mix of functional expenses incurred by the *Governmental Activities*. Again, it comes as no real surprise that the largest expense of the County is the Public Safety function.



Business-Type Activities. A year over year increase in Net Position for the fiscal year ended June 30, 2014 of \$716,163 was attributable to the *Business-Type Activities*. In comparing the operating results between the two fiscal years, the key elements are discussed below:

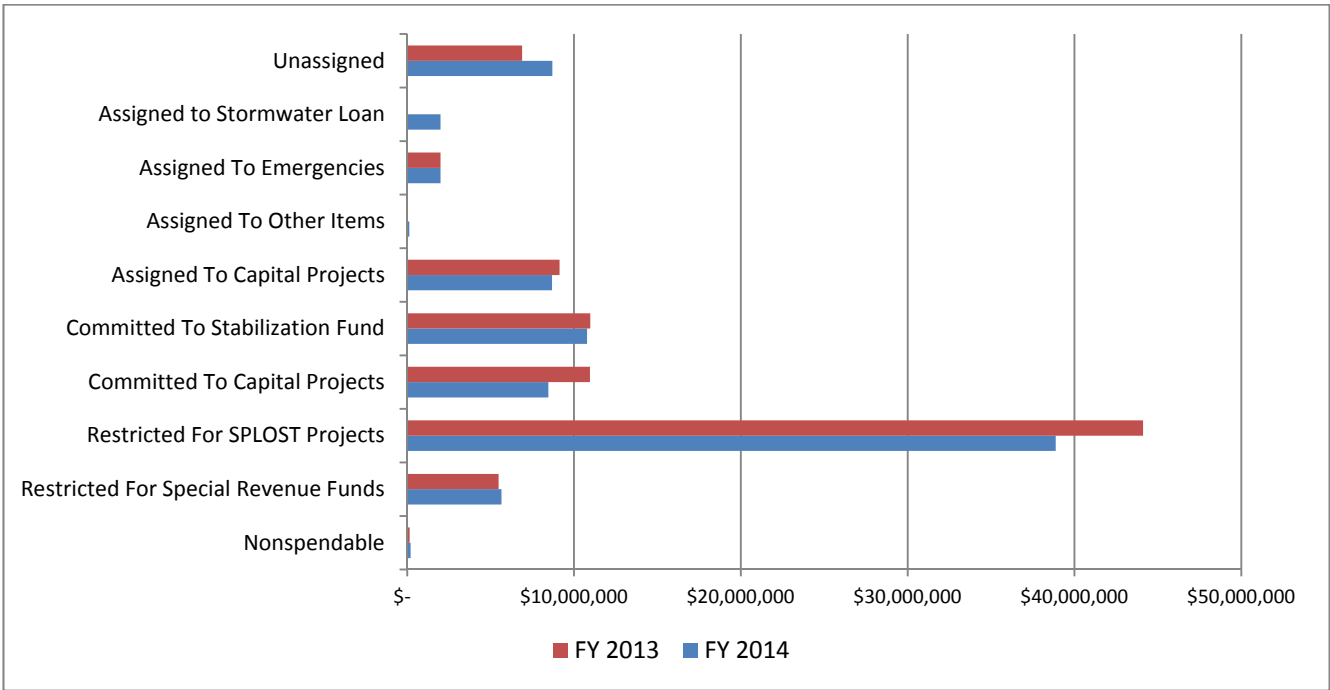
- The *Charges for Services* category increased by \$262,180 compared to the results for the previous fiscal year. The main component for this increase was the catch up billing and recognition of \$611,232 for Stormwater fees delayed from the previous year which was offset by a decrease in water sales of \$314,593 due to a lower water consumption resulting from increase rainfall during the year and \$34,459 less revenue from solid waste due to the contractor's loss of two commercial contracts and the diversion of yard waste to regular trash.
- The Water System received an additional \$443,396 in meter contributions due to the increase of construction within the County. Stormwater received a transfer of \$296,501 from the projects fund providing initial funding for beginning construction. Other revenues of \$140,000 included additional funding for a medical stabilization account.
- *Total Expenses* for the fiscal year ended June 30, 2014 increased by \$542,489 compared to the previous fiscal year. The portion related to the Water System totaled \$747,800 was a result of increased spending for improved water quality. Stormwater Utility operating expenses decreased around \$300,000 with the focus on project construction. Expenses for the Solid Waste Fund increased approximately \$100,000 due to additional landfill post closure monitoring costs.

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.

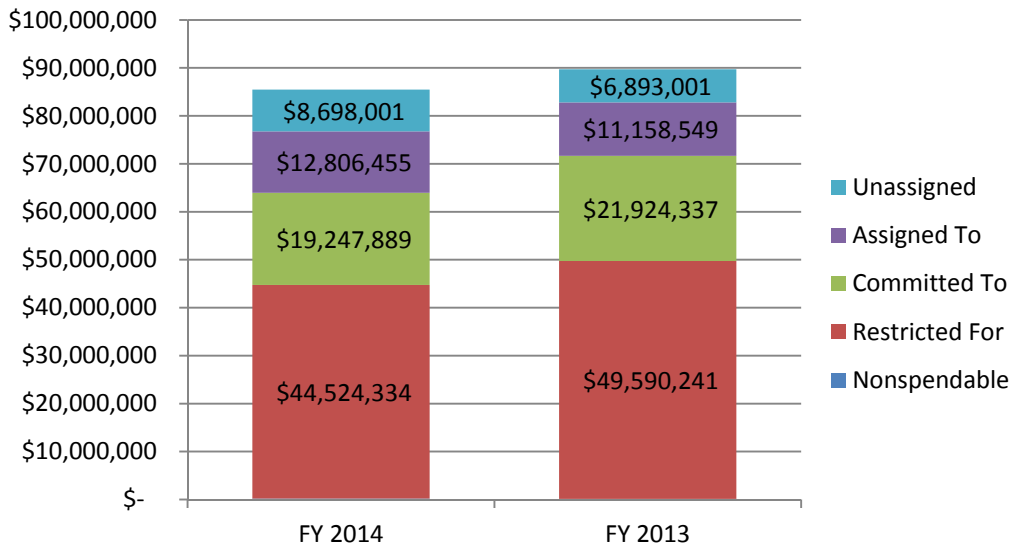
Governmental Funds. The focus of the *Governmental Funds* that the County uses is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information from a more short-term perspective is useful in assessing the County's financing requirements. In particular, *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, 2013 and 2014. At the top of the chart is a comparison of the total for the two years. The items below "Total Fund Balance" provide an overview of how the various components of fund balance has changed as a result of the operating activity for the 2014 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, 2014, Fayette County's *Governmental Funds* reported combined ending fund balances of \$85,479,407, a decrease of \$4,235,368 or about 4.7% percent in comparison with the previous fiscal year. There are specific spending patterns and budgetary decisions that are responsible for the net decrease. First, the fund balances of the two SPLOST Road Capital Projects Funds decreased by a total of \$5,234,877 during the period. While the County is no longer receiving any revenues from the 2005 Special Purpose Local Option Sales Tax (SPLOST) which expired in March of 2010, those tax receipts collected in previous fiscal years are being spent to construct those road improvement projects approved by the voters. Since this was a one-time revenue source dedicated to use for specific road construction projects, this trend for annual decreases in fund balance for these two SPLOST Capital Projects Funds will continue until the remaining funds of \$38,876,071 are exhausted.

Secondly, \$1.6 million of capital project improvements were capitalized thus reducing fund balance. Third, the excess of revenues over expenditures within the General Fund of \$3,487,348 increased fund balance and provided additional funding for a \$2 million Stormwater loan and an increase in unassigned fund balance of \$1,805,000.



To get a good understanding of the availability for appropriation in future periods or the “spendability” of the \$85,479,407 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.

In looking at the first item in the report, only \$202,728 or 0.2% of the total is reported in the “*Nonspendable*” category. This amount represents inventories that are considered current assets but are not in a spendable form. Thus, this amount is not available for appropriation.

The aggregate amount for the “*Restricted For*” category is \$44,524,334 and comprises 52.1% of the total. The purpose of this category is to inform the reader that these balances carry specific legal restrictions as to what they can be spent for in future periods. So in terms of availability, any future appropriation would have to meet the legal restrictions associated with that specific fund. This component comprises the fund balances of the Special Revenue Funds (i.e., \$5,648,263) which are legally restricted for certain programs or services based on each individual fund’s revenue stream and the two SPLOST Road Capital Projects Funds (i.e., \$38,876,071) which are restricted by referendum to road construction expenditures.

The aggregate amount for the “*Committed To*” category is \$19,247,889 and comprises 22.5% 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., \$8,461,636) which represents monies that the Board of Commissioners has committed to specific capital improvements, and a Stabilization Fund (\$10,786,253) that represents monies that the Board of Commissioners has committed to use as a working cash reserve balance in the General Fund. Since property tax revenues are not received until the middle of the fiscal year, these monies are needed to bridge the cash flow gap between expenditure outflows early in the fiscal year and revenue inflows which occur later in the operating period. To avoid the need for short-term borrowing, the Stabilization Fund was created by Board resolution and consequently these committed funds are not considered to

be spendable. In terms of budgetary coverage for the General Fund, the Stabilization Fund is equal to three months of normal operating expenditures and transfers out.

The sum of the "Assigned To" category is \$12,806,455 or about 15.0% 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), for a Stormwater Utility loan (\$2,000,000), to liquidate encumbrances carried over into the following fiscal year (\$126,391) and to provide a source of funding for the five-year capital improvements plan (\$8,680,064).

The final component is the *Unassigned Fund Balance* for the General Fund. At June 30, 2014, the balance was \$8,698,001 which comprises 10.2% 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, 2014 and 2013, the *Total Fund Balance* of the General Fund was \$32,493,437 and \$29,171,932, respectively. The net change in the fund balance during the 2014 fiscal year was an increase of \$3,321,505 or 11.4%. When comparing to last year's decrease of \$5.1 million in fund balance the overall change equated to \$8.4 million. This change was as a result of an increase in property taxes from the State's 2013 legislative change of replacing the annual ad valorem auto tax with a one-time title and ad valorem tax (TAVT) along with cost savings initiatives implemented.

On the revenue side, the 2013 tax digest for Fayette County had a slight increase after three straight years of declines which generated an additional \$1 million in taxes, building permits saw an increase of \$281 thousand, and intergovernmental revenues increased by \$607 thousand for grant programs added. A change in accounting for the treatment of administrative cost allocation of \$1.1 million moved from a decrease in department expenditures to an increase in charges for services revenues.

Activity impacting expenditures during the year consisted of overall personnel costs showing a net decrease of \$3.1 million combining a net increase of approximately \$698 thousand in salaries and decrease of \$3.8 million in benefits due to a seventeen positions eliminated and the recoup of overfunding the pension plan in the previous year. Operational changes were made in the Jail saving an additional \$.2 million.

The remaining variance year over year was a reduction in transfers of \$2.3 million to fund capital projects. Funding was provided via available funds within completed projects.

At June 30, 2014 and 2013, the *Unassigned Fund Balance* was \$8,698,001 and \$6,893,001 respectively representing an increase of \$1,805,000 or 26.2%. A combination of revenues over expenditures of \$3.5 million, assignment of \$2 million for a Stormwater loan, and reduction of approximately \$300,000 in the capital projects fund and inventories created the positive variance.

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, 2014, *Unassigned Fund Balance* represents 21 percent of total General Fund expenditures; while *Total Fund Balance* represents 78.7 percent of that same amount.

Total General Fund revenues for the fiscal years ended June 30, 2014 and 2013 were \$44,788,784 and \$41,848,953, respectively. This is a \$2.9 million increase of the revenue stream compared to the prior year which was mainly a result of the slight increase in the tax digest along with an increase in grants and contributions levels and improved market value of the County's investments.

Fire Services: The Fire Services Tax District Special Revenue Fund accounts for fire services that are provided to those residents living and businesses located within the tax district. The financing for the services accounted for in this fund primarily comes from a special tax levy and the insurance premium tax. This fund has a *Total Fund Balance* of \$2,508,392 at June 30, 2014, which represents an increase from the prior year of \$289,117 or 13%. The increase in fund balance can be traced to a deduction in expense related to utilizing prior year funding for the defined benefits plan. Again in measuring liquidity, *Total Fund Balance* for the Fire Services Fund represents 32.3 percent of its FY 2014 expenditures.

Emergency Medical Services (EMS): The EMS Tax District Special Revenue Fund accounts for emergency medical services provided to those residents living and businesses located within the tax district. The financing for the services accounted for in this fund also comes from a special tax levy. In addition to the property taxes, patient transport fees represent a significant source of funding for the provision of EMS services. This fund has a *Total Fund Balance* of \$1,626,847 at June 30, 2014, which represents a decrease from the prior year of \$62,870 or 3.7%. The decrease in fund balance is a combination of a decrease in the transport revenues and a decrease in expenditures related to the benefit funding. Again in measuring liquidity, *Total Fund Balance* for the EMS Fund represents 53.3 percent of its FY 2014 expenditures.

County-Wide Roads SPLOST: The County-Wide Roads SPLOST Capital Projects Fund has a total fund balance of \$38,037,615 at June 30, 2014, which represents a decrease from the prior year of \$5,124,623 or 11.9%. The primary reasons for the decrease in fund balance is continued work on approved road projects during the fiscal year coupled with the absence of a funding source because the SPLOST tax collection period ended in March of 2010. As noted previously, this downward trend in fund balance is expected to continue over the remaining life of the road SPLOST program.

Proprietary Funds. Fayette County's *Proprietary Funds* provide the same type of financial information found in the *Government-Wide Statements*, but in more detail. The *Total Net Position* for the three *Proprietary Funds* was \$81,075,168 at June 30, 2014 which represented an increase of \$716,163 from the previous year.

The *Unrestricted Net Position* of the Water System Enterprise Fund was \$3,611,972 at June 30, 2014 which represented an increase of \$1,196,460 compared to the previous year. The primary reason for this increase was the annual payment to the debt service obligation for revenue bonds.

The Total *Net Position* for the Water System was \$79,370,595 at June 30, 2014 which represents an increase of \$16,168 during the 2014 fiscal year while Solid Waste and Stormwater had increases of \$45,198 and \$671,184, respectively.

General Fund Budget

During Fiscal Year 2014, there was a net increase of \$104,450 in appropriations (i.e., expenditures and other financing uses) between the original and final amended budget. On the revenue side, the change was \$2,614,790. The major components of the revenue change are as follows:

- An additional \$1.4 million was budgeted to account for the introduction of the Title Ad Valorem Tax (TAVT) offset against a reduction to sales tax of \$500 thousand as a result of TAVT.
- The accounting change for administrative charges of \$1.1 million required an increase in revenues and an increase in expenditures for those funds receiving service;
- Building permits were increased by \$150 thousand due to the number of new housing starts along with an agreement with the City of Fayetteville for Fayette County resources to conduct building inspections on behalf of the City.

Comparing the FY 2014 final amended budget to actual expenditures resulted in a positive variance of \$2,614,790 at the end of the year.

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, 2014, amounts to \$229,790,283 (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, 2014 and 2013.

FAYETTE COUNTY, GEORGIA'S CAPITAL ASSETS (Net of Depreciation)						
<u>General Classification</u>	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2013</u>
Land	\$ 11,667,258	\$ 9,462,285	\$ 20,210,721	\$ 20,210,721	\$ 31,877,979	\$ 29,673,006
Buildings and Structures	47,202,379	49,329,490	31,492,645	33,476,354	78,695,024	82,805,844
Infrastructure	35,424,248	30,597,226	47,509,107	49,077,399	82,933,355	79,674,625
Improvements Other than Buildings	5,367,229	5,762,388	5,487,617	6,083,326	10,854,846	11,845,714
Machinery and Equipment	5,834,502	6,341,138	2,103,097	2,161,455	7,937,599	8,502,593
Construction in Progress	14,317,408	17,950,623	3,174,072	1,774,410	17,491,480	19,725,033
Total Capital Assets	<u>\$119,813,024</u>	<u>\$119,443,150</u>	<u>\$109,977,259</u>	<u>\$112,783,665</u>	<u>\$229,790,283</u>	<u>\$232,226,815</u>

The total decrease in the County’s investment in capital assets for the current fiscal year was \$2,436,532 or 1.0%. The decrease can be further broken down into an increase of \$369,874 or 0.3% for the governmental activities and a decrease of \$2,806,406 or 2.5% for the business-type activities.

Several street construction projects as well as other capital projects were capitalized during the fiscal year. Most notably was capitalization of Phase II of the West Fayetteville Bypass which accounted for \$8,324,707 of an \$11,189,608 decrease in Construction in Progress. An offsetting increase of \$7,556,393 fiscal year expenses came from a variety of other ongoing street construction/improvement and capital projects. Right-of-way acquisition, predominantly for the West Fayetteville Bypass, comprises the \$2,204,973 increase in land. Depreciation expense of \$7,685,051 for governmental and \$5,426,182 for business-type accounted for other decreases in total capital assets.

Additional information on Fayette County’s capital assets is provided in Note III. C. which can be found on pages 78 through 80 of this report.

Long-Term Debt. At the end of the current fiscal year, Fayette County had total bonded debt outstanding of \$88,865,000. This total represents a decrease of \$4,535,000 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, 2014 and 2013 is shown in the following table.

FAYETTE COUNTY’S OUTSTANDING REVENUE BOND DEBT						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Revenue Bonds	\$36,970,000	\$38,190,000	\$51,895,000	\$55,210,000	\$88,865,000	\$93,400,000

The \$36,970,000 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 \$51,895,000 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 August, 2014, Standard and Poor’s upgraded Fayette County’s bond rating to an “AAA” status.

Additional information on Fayette County’s long-term debt is provided in Note III. F. which can be found on pages 82 through 88 of this report.

Economic Factors

Growth and recovery from the recent recession have been modest, however trends in 2014 have been more promising than in 2013. The recovery has been bolstered by legislation enacted by the state's political leaders to make the state more competitive. Increases in housing starts and real estate development have also contributed to the rebound in the economy. 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 2014 was 6.1 percent which represented a decrease of 1.5 percent from the June 2013 rate of 7.6 percent. Similarly, the jobless rate for the State of Georgia in June 2014 was 7.4 percent which was down 1.1 percent from the previous June. Fayette County's unemployment rate was 7.1 percent in June 2014 which is above the national average but below the state average.
- The Consumer Price Index (CPI) has increased by 2.0 percent from June 2013 to June 2014 according to the Bureau of Labor Statistics.
- According to the Georgia Department of Revenue, the Net Maintenance and Operation (M&O) Tax Digest for Fayette County increased by \$20,639,070 or 0.5% from January 1, 2012 to January 1, 2013. The increase from January 1, 2013 to January 1, 2014 was \$74,731,793 or 1.7%.

These economic factors were taken into consideration when preparing the County's budget for the 2015 fiscal year.

Next Year's Budget and Rates

During the current fiscal year, the *Unassigned Fund Balance* in the General Fund increased from \$6,893,001 to \$8,698,001. For the upcoming 2015 fiscal year budget, under slightly improved economic conditions, the direction from the Board of Commissioners was to develop a balanced budget without the use of fund reserves thus avoiding the need to raise property taxes. This was accomplished by focusing on continued cost containment.

The millage rates adopted for the various tax-supported Governmental Funds for fiscal years 2015 and 2014 are shown in the following table. A reduction to the General Fund maintenance and operations millage rate for the 2015 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.

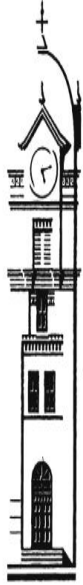
<u>Governmental Fund</u>	<u>MILLAGE RATES</u>		<u>NET CHANGE</u>	
	<u>FY 2015</u>	<u>FY 2014</u>	<u>AMOUNT</u>	<u>PERCENT</u>
General Fund (M&O)	5.602	5.714	-0.112	-1.96%
Fire Services	3.070	3.070	- 0 -	- %
Emergency Medical Services	0.456	0.456	- 0 -	- %
E911 Communications	<u>0.210</u>	<u>0.210</u>	<u>- 0 -</u>	<u>- %</u>
Total for All Funds	<u>9.338</u>	<u>9.450</u>	<u>-0.112</u>	<u>-1.19%</u>

For the 2015 fiscal year budget, there were no rate adjustments approved for any of the three Enterprise Funds.

Request for Information

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

“WHERE QUALITY
IS A LIFESTYLE”

BASIC FINANCIAL STATEMENTS

Fayette County, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents:					
Unrestricted	\$ 31,712,326	\$ 3,955,905	\$ 35,668,231	\$ 376,517	\$ 532,525
Restricted	953,528	22,172,996	23,126,524	667,826	-
Investments	61,240,246	-	61,240,246	-	526,675
Receivables (net of allowance for uncollectibles)	3,788,061	1,878,884	5,666,945	37,500	29,408
Inventories and prepaid items	376,488	419,043	795,531	-	-
Net pension asset	1,769,688	-	1,769,688	-	-
Capital assets not being depreciated	25,984,666	23,384,793	49,369,459	-	-
Capital assets, net of accumulated depreciation	<u>93,828,358</u>	<u>86,592,466</u>	<u>180,420,824</u>	<u>180,058</u>	<u>19,411</u>
Total assets	<u>219,653,361</u>	<u>138,404,087</u>	<u>358,057,448</u>	<u>1,261,901</u>	<u>1,108,019</u>
Deferred Outflows of Resources					
Deferred charges on bond refunding	<u>2,843,920</u>	<u>1,180,344</u>	<u>4,024,264</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>222,497,281</u>	<u>139,584,431</u>	<u>362,081,712</u>	<u>1,261,901</u>	<u>1,108,019</u>

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

Fayette County, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Development Authority	Public Health
LIABILITIES					
Accounts payable and other current liabilities	3,975,625	1,814,465	5,790,090	667,874	4,257
Salaries and benefits payable	1,448,730	137,692	1,586,422	-	-
Accrued interest payable	122,997	559,100	682,097	-	-
Noncurrent liabilities:					
Due within one year	2,594,451	3,410,440	6,004,891	-	33,152
Due in more than one year	40,649,162	52,587,566	93,236,728	-	67,018
Total liabilities	<u>48,790,965</u>	<u>58,509,263</u>	<u>107,300,228</u>	<u>667,874</u>	<u>104,427</u>
NET POSITION					
Net investment in capital assets	84,415,940	61,521,377	145,937,317	180,058	19,411
Restricted for:					
Highways and streets	38,876,071	-	38,876,071	-	-
Special tax district services	4,234,182	-	4,234,182	-	-
Other purposes	1,869,266	-	1,869,266	-	733,575
Debt service	872,000	8,305,916	9,177,916	-	-
Renewal and extension	-	6,069,853	6,069,853	-	-
Unrestricted	43,438,857	5,178,022	48,616,879	413,969	250,606
Total net position	<u>\$ 173,706,316</u>	<u>\$ 81,075,168</u>	<u>\$ 254,781,484</u>	<u>\$ 594,027</u>	<u>\$ 1,003,592</u>

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

Fayette County, Georgia
Balance Sheet
Governmental Funds
June 30, 2014

	General	Fire Services	Emergency Medical Services	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 5,592,568	\$ 677,485	\$ 1,268,584	\$ 14,266,677	\$ 6,803,423	\$ 28,608,737
Investments	27,631,179	2,037,207	-	24,423,031	4,086,817	58,178,234
Receivables (net of allowances for uncollectibles)	2,147,092	142,610	494,328	-	895,494	3,679,524
Inventories	202,728	-	-	-	-	202,728
Total assets	<u>\$ 35,573,567</u>	<u>\$ 2,857,302</u>	<u>\$ 1,762,912</u>	<u>\$ 38,689,708</u>	<u>\$ 11,785,734</u>	<u>\$ 90,669,223</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 1,099,271	\$ 17,548	\$ 24,284	\$ 652,093	\$ 897,816	\$ 2,691,012
Salary and benefits payable	1,036,729	255,616	93,022	-	63,363	1,448,730
Compensated absences	16,783	2,806	-	-	-	19,589
Unearned revenue	651,321	-	-	-	-	651,321
Total liabilities	<u>2,804,104</u>	<u>275,970</u>	<u>117,306</u>	<u>652,093</u>	<u>961,179</u>	<u>4,810,652</u>
Deferred inflows of resources - Unavailable revenue	<u>276,026</u>	<u>72,940</u>	<u>18,759</u>	<u>-</u>	<u>11,439</u>	<u>379,164</u>
Fund balances:						
Nonspendable	202,728	-	-	-	-	202,728
Restricted for:						
Capital projects	-	-	-	38,037,615	838,456	38,876,071
Special programs	-	2,508,392	1,626,847	-	1,513,024	5,648,263
Committed to:						
Capital projects	-	-	-	-	8,461,636	8,461,636
Stabilization fund	10,786,253	-	-	-	-	10,786,253
Assigned to:						
Emergencies	2,000,000	-	-	-	-	2,000,000
Stormwater loan	2,000,000	-	-	-	-	2,000,000
Special programs	126,391	-	-	-	-	126,391
Capital projects	8,680,064	-	-	-	-	8,680,064
Unassigned	8,698,001	-	-	-	-	8,698,001
Total fund balances	<u>32,493,437</u>	<u>2,508,392</u>	<u>1,626,847</u>	<u>38,037,615</u>	<u>10,813,116</u>	<u>85,479,407</u>
Total liabilities and fund balances	<u>\$ 35,573,567</u>	<u>\$ 2,857,302</u>	<u>\$ 1,762,912</u>	<u>\$ 38,689,708</u>	<u>\$ 11,785,734</u>	<u>\$ 90,669,223</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, 2014

Total fund balances - Governmental Funds \$ 85,479,407

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. 119,813,024

Prepaid expenses are reported on the consumption method and therefore are not reported in the Governmental Funds. 167,010

The net pension asset which represents amounts paid above the required actuarial determined contribution is not a financial resource and therefore, is not reported as an asset in Governmental Funds. 1,769,688

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. 379,164

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. The details of this difference is as follows:

Net position of the Internal Service Funds	\$ 8,002,633	
Less: Capital assets (included above)	<u>(2,273,509)</u>	5,729,124

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

Revenue bonds payable	(36,970,000)	
Less: deferred charges on refunding	2,843,920	
Add: bond premium	(1,271,004)	
Compensated absences	(2,722,876)	
Early termination benefits	(254,872)	
Other postemployment benefits	(1,133,272)	
Accrued interest	<u>(122,997)</u>	<u>(39,631,101)</u>

Total net position - governmental activities \$ 173,706,316

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, 2014

	General	Fire Services	Emergency Medical Services	County-Wide Roads SPLOST	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes:						
Property	\$ 27,224,257	\$ 5,901,043	\$ 1,180,568	\$ -	\$ 1,216,212	\$ 35,522,080
Sales	9,936,256	-	-	14,829	47,823	9,998,908
Other	933,550	2,286,906	5,466	-	2,802	3,228,724
Licenses and permits	1,056,793	-	-	-	-	1,056,793
Intergovernmental	1,004,755	-	-	-	1,140,799	2,145,554
Charges for services	2,899,507	188,067	1,805,386	-	2,474,036	7,366,996
Fines and forfeitures	1,286,614	-	-	-	938,993	2,225,607
Investment earnings	226,415	12,534	360	149,086	26,412	414,807
Contributions and donations	27,347	3,569	-	-	77,594	108,510
Miscellaneous revenues	193,290	54,489	-	-	-	247,779
Total revenues	<u>44,788,784</u>	<u>8,446,608</u>	<u>2,991,780</u>	<u>163,915</u>	<u>5,924,671</u>	<u>62,315,758</u>
EXPENDITURES:						
Current:						
General government	7,906,318	-	-	-	-	7,906,318
Judicial system	4,836,794	-	-	-	550,500	5,387,294
Public safety	17,700,161	7,770,266	3,054,650	-	4,180,116	32,705,193
Public works	4,015,669	-	-	-	303,258	4,318,927
Health and welfare	822,881	-	-	-	-	822,881
Culture and recreation	1,991,122	-	-	-	-	1,991,122
Housing and development	1,196,085	-	-	-	-	1,196,085
Debt service:						
Principal retirement	1,220,000	-	-	-	-	1,220,000
Interest and fiscal charges	1,612,406	-	-	-	-	1,612,406
Capital outlay	-	-	-	4,315,322	3,251,572	7,566,894
Intergovernmental	-	-	-	973,216	3,249	976,465
Total expenditures	<u>41,301,436</u>	<u>7,770,266</u>	<u>3,054,650</u>	<u>5,288,538</u>	<u>8,288,695</u>	<u>65,703,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,487,348</u>	<u>676,342</u>	<u>(62,870)</u>	<u>(5,124,623)</u>	<u>(2,364,024)</u>	<u>(3,387,827)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	18,838	-	-	-	333,062	351,900
Transfers out	(191,000)	(387,225)	-	-	(627,535)	(1,205,760)
Sale of capital assets	6,319	-	-	-	-	6,319
Total other financing sources (uses)	<u>(165,843)</u>	<u>(387,225)</u>	<u>-</u>	<u>-</u>	<u>(294,473)</u>	<u>(847,541)</u>
Net change in fund balance	3,321,505	289,117	(62,870)	(5,124,623)	(2,658,497)	(4,235,368)
Fund balance, beginning of year	<u>29,171,932</u>	<u>2,219,275</u>	<u>1,689,717</u>	<u>43,162,238</u>	<u>13,471,613</u>	<u>89,714,775</u>
Fund balance, end of year	<u>\$ 32,493,437</u>	<u>\$ 2,508,392</u>	<u>\$ 1,626,847</u>	<u>\$ 38,037,615</u>	<u>\$ 10,813,116</u>	<u>\$ 85,479,407</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, 2014

Net change in fund balances - total Governmental Funds \$ (4,235,368)

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

Governmental Funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference is as follows:

Capital outlay	\$ 8,621,398	
Depreciation expense	<u>(7,685,051)</u>	936,347

The net effect of various transaction involving capital assets (i.e., sales , trade-ins and donations) is to decrease Net Position. (18,553)

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. 243,171

Prepaid expenses are reported on the purchases method in governmental funds but are reported as consumed in the Statement of Net Position 109,114

Property taxes that have been levied for the current and prior years and not collected within sixty days of year-end are not considered "available" revenues and are considered to be unearned revenues in the Governmental Funds. This item increased by this amount from the prior year. (571,511)

In the Statement of Activities, certain payroll related expenses are measured by the amounts that are earned during the year. However in the Governmental Funds, expenditures for these items are recorded as financial resources are used to compensate the employee during the fiscal year. The detail of changes in these accrued expenses from the prior year is as follows:

Compensated absences	(334,738)	
Early termination benefits	73,153	
Other post employment benefits	<u>(110,631)</u>	(372,216)

Changes in the net pension asset shown in the Statement of Net Position are not recognized in the Governmental Funds since current financial resources are used in the creation of the asset. (197,742)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as in expenditures in Governmental Funds. Accrued interest payable on the long-term debt represents this difference. 4,655

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 issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The detail of the effect of these differences in the treatment of long-term debt and related items is as follows:

Repayment of bond principal	1,220,000	
Deferred charges amortization	(177,745)	
Bond premium amortization	<u>79,449</u>	<u>1,121,704</u>

Change in net position of Governmental Activities \$ (2,980,399)

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

Fayette County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 36,972,650	\$ 37,877,650	\$ 38,094,063	\$ 216,413
Licenses and permits	872,500	1,022,500	1,056,793	34,293
Intergovernmental	1,454,869	1,559,669	1,004,755	(554,914)
Charges for services	2,013,382	3,039,066	2,899,507	(139,559)
Fines and forfeitures	1,420,000	1,420,000	1,286,614	(133,386)
Investment earnings	150,000	150,000	226,415	76,415
Contributions and donations	5,000	7,120	27,347	20,227
Miscellaneous revenues	237,938	237,938	193,290	(44,648)
Total revenues	<u>43,126,339</u>	<u>45,313,943</u>	<u>44,788,784</u>	<u>(525,159)</u>
EXPENDITURES:				
Current:				
General government:				
Commissioners	442,173	432,570	420,439	12,131
Administration	334,621	334,621	333,003	1,618
Elections	521,180	521,180	520,624	556
Finance	1,084,175	1,092,175	1,044,146	48,029
Purchasing	198,935	208,115	202,499	5,616
Law department	355,000	328,950	328,947	3
Information systems	658,777	687,593	657,884	29,709
Human resources	331,833	343,373	334,032	9,341
Tax commissioner	1,071,873	1,071,873	1,041,083	30,790
Tax assessor	830,213	830,213	800,014	30,199
Buildings & grounds maintenance	1,562,477	1,562,477	1,404,062	158,415
Engineering office	285,217	222,914	220,861	2,053
Non-departmental	596,432	599,232	598,724	508
Total General Government	<u>8,272,906</u>	<u>8,235,286</u>	<u>7,906,318</u>	<u>328,968</u>
Judicial System:				
Judges, court reporter	344,698	344,698	338,652	6,046
Clerk of superior court	1,206,373	1,204,373	1,166,121	38,252
District attorney	330,160	330,160	330,160	-
Clerk of state court	277,145	277,145	275,399	1,746
State court solicitor	582,106	616,087	594,585	21,502
State court judge	343,423	343,423	336,412	7,011
Magistrate court	420,130	422,130	421,782	348
Probate court	345,190	345,190	339,243	5,947
Juvenile court	229,674	299,227	295,512	3,715
Public defender	484,800	484,800	484,800	-
Non-departmental	253,572	255,572	254,128	1,444
Total Judicial System	<u>4,817,271</u>	<u>4,922,805</u>	<u>4,836,794</u>	<u>86,011</u>

Continued on next page

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

Fayette County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<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	16,490,564	16,490,564	15,948,255	542,309
County coroner	81,545	91,400	91,117	283
Animal control	339,155	339,155	336,910	2,245
Emergency management	320,097	321,002	312,432	8,570
Non-departmental	1,102,347	1,102,347	1,011,447	90,900
Total Public Safety	<u>18,333,708</u>	<u>18,344,468</u>	<u>17,700,161</u>	<u>644,307</u>
Public works:				
Public works administration	200,140	190,634	181,437	9,197
Road department	4,371,079	4,303,376	2,967,338	1,336,038
Stormwater management	334,443	342,756	338,777	3,979
Fleet maintenance	552,598	552,598	528,117	24,481
Total Public Works	<u>5,458,260</u>	<u>5,389,364</u>	<u>4,015,669</u>	<u>1,373,695</u>
Health and welfare:				
Physical health	336,241	336,241	336,212	29
Fayette counseling center	125,380	125,380	125,380	-
Family and children services	39,325	39,325	39,325	-
Fayette community options	59,270	59,270	59,270	-
Fayette family connection	-	45,000	45,000	-
Senior citizens center	189,556	198,356	198,346	10
Youth protection	19,348	19,348	19,348	-
Total Health and Welfare	<u>769,120</u>	<u>822,920</u>	<u>822,881</u>	<u>39</u>
Culture and recreation:				
Recreation	1,096,014	1,105,189	1,020,053	85,136
Library	979,606	985,796	971,069	14,727
Total Culture and Recreation	<u>2,075,620</u>	<u>2,090,985</u>	<u>1,991,122</u>	<u>99,863</u>
Housing and development:				
County extension	128,140	128,140	107,919	20,221
Georgia forestry commission	3,336	3,336	3,336	-
Permits and inspections	501,817	535,944	527,571	8,373
Planning and zoning	312,523	322,741	321,393	1,348
Development authority	288,036	287,830	235,866	51,964
Total Housing and Development	<u>1,233,852</u>	<u>1,277,991</u>	<u>1,196,085</u>	<u>81,906</u>

Continued on Next Page

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

Fayette County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Debt service:				
Principal retirement	1,220,000	1,220,000	1,220,000	-
Interest and fiscal charges	1,612,201	1,612,407	1,612,406	1
Total Debt Service	<u>2,832,201</u>	<u>2,832,407</u>	<u>2,832,406</u>	<u>1</u>
 Total expenditures	 <u>43,792,938</u>	 <u>43,916,226</u>	 <u>41,301,436</u>	 <u>2,614,790</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(666,599)</u>	 <u>1,397,717</u>	 <u>3,487,348</u>	 <u>2,089,631</u>
 OTHER FINANCING SOURCES (USES):				
Transfers in	1,147,684	18,838	18,838	-
Transfers out	(191,000)	(191,000)	(191,000)	-
Sale of capital assets	-	-	6,319	6,319
Total other financing sources (uses)	<u>956,684</u>	<u>(172,162)</u>	<u>(165,843)</u>	<u>6,319</u>
 Net change in fund balance	 <u>\$ 290,085</u>	 <u>\$ 1,225,555</u>	 <u>3,321,505</u>	 <u>\$ 2,095,950</u>
 Fund balance, beginning of year			 <u>29,171,932</u>	
 Fund balance, end of year			 <u>\$ 32,493,437</u>	

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

Fayette County, Georgia
Fire Services Tax District Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 5,913,000	\$ 5,913,000	\$ 5,901,043	\$ (11,957)
Other	2,190,500	2,190,500	2,286,906	96,406
Charges for services	149,000	149,000	188,067	39,067
Investment earnings	9,500	9,500	12,534	3,034
Contributions and donations	1,500	5,069	3,569	(1,500)
Miscellaneous revenues	60,000	60,000	54,489	(5,511)
	<u>8,323,500</u>	<u>8,327,069</u>	<u>8,446,608</u>	<u>119,539</u>
EXPENDITURES:				
Current -				
Public Safety -				
Fire services	7,571,504	7,896,588	7,770,266	126,322
	<u>7,571,504</u>	<u>7,896,588</u>	<u>7,770,266</u>	<u>126,322</u>
Excess of revenues over expenditures	<u>751,996</u>	<u>430,481</u>	<u>676,342</u>	<u>245,861</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(703,716)	(387,225)	(387,225)	-
Net change in fund balance	<u>\$ 48,280</u>	<u>\$ 43,256</u>	289,117	<u>\$ 245,861</u>
Fund balance, beginning of year			<u>2,219,275</u>	
Fund balance, end of year			<u>\$ 2,508,392</u>	

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

Fayette County, Georgia
Emergency Medical Services (EMS) Tax District Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	<u>Budgeted</u>	<u>Amounts</u>	<u>Actual</u>	<u>Variance With</u>
REVENUES:	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Taxes:				
Property	\$ 1,218,000	\$ 1,218,000	\$ 1,180,568	\$ (37,432)
Other	6,200	6,200	5,466	(734)
Charges for services	2,100,000	1,849,000	1,805,386	(43,614)
Investment earnings	1,000	1,000	360	(640)
	<u>3,325,200</u>	<u>3,074,200</u>	<u>2,991,780</u>	<u>(82,420)</u>
Total revenues				
	<u>3,325,200</u>	<u>3,074,200</u>	<u>2,991,780</u>	<u>(82,420)</u>
EXPENDITURES:				
Current -				
Public Safety -				
Emergency medical services	3,165,829	3,291,432	3,054,650	236,782
	<u>3,165,829</u>	<u>3,291,432</u>	<u>3,054,650</u>	<u>236,782</u>
Total expenditures	<u>3,165,829</u>	<u>3,291,432</u>	<u>3,054,650</u>	<u>236,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>159,371</u>	<u>(217,232)</u>	<u>(62,870)</u>	<u>154,362</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(125,603)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 33,768</u>	<u>\$ (217,232)</u>	<u>(62,870)</u>	<u>\$ 154,362</u>
Fund balance, beginning of year			<u>1,689,717</u>	
Fund balance, end of year			<u>\$ 1,626,847</u>	

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

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Current assets:				
Cash and cash equivalents:				
Unrestricted	\$ 2,679,909	\$ 1,275,996	\$ 3,955,905	\$ 2,931,730
Restricted	22,172,996	-	22,172,996	953,528
Cash with fiscal agent	-	-	-	171,859
Investments	-	-	-	3,062,012
Interest receivable	-	10	10	-
Accounts receivable, net of allowance	1,656,093	222,781	1,878,874	108,537
Inventories	407,092	-	407,092	-
Prepaid items	11,855	96	11,951	6,750
Total current assets	26,927,945	1,498,883	28,426,828	7,234,416
Noncurrent assets -				
Capital assets:				
Land	20,194,204	16,517	20,210,721	-
Construction in progress	3,094,547	79,525	3,174,072	-
Buildings and structures	57,634,667	158,499	57,793,166	-
Infrastructure	86,688,474	-	86,688,474	-
Improvements	14,608,420	120,170	14,728,590	-
Machinery, equipment and vehicles	10,130,768	210,445	10,341,213	14,823,426
Less: accumulated depreciation	(82,591,869)	(367,108)	(82,958,977)	(12,549,917)
Total capital assets (net of accumulated depreciation)	109,759,211	218,048	109,977,259	2,273,509
Total assets	136,687,156	1,716,931	138,404,087	9,507,925
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on bond refunding	1,180,344	-	1,180,344	-
Total assets and deferred outflows of resources	137,867,500	1,716,931	139,584,431	9,507,925

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

Fayette County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	1,761,542	10,523	1,772,065	5,228
Claims payable	-	-	-	628,064
Salaries and benefits payable	140,812	1,563	142,375	-
Compensated absences	35,746	11	35,757	-
Unearned revenue	42,400	-	42,400	-
Accrued interest payable	559,100	-	559,100	-
Revenue bonds payable - current	3,370,000	-	3,370,000	-
Total current liabilities	<u>5,909,600</u>	<u>12,097</u>	<u>5,921,697</u>	<u>633,292</u>
Noncurrent liabilities:				
Compensated absences	124,737	261	124,998	-
Early termination benefits	14,904	-	14,904	-
Certificates of participation	-	-	-	872,000
Bonds payable (net of discounts and premiums)	52,447,664	-	52,447,664	-
Total noncurrent liabilities	<u>52,587,305</u>	<u>261</u>	<u>52,587,566</u>	<u>872,000</u>
Total liabilities	<u>58,496,905</u>	<u>12,358</u>	<u>58,509,263</u>	<u>1,505,292</u>
NET POSITION				
Net investment in capital assets	61,382,854	138,523	61,521,377	2,273,509
Restricted for:				
Debt service	8,305,916	-	8,305,916	872,000
Renewal and construction	6,069,853	-	6,069,853	-
Unrestricted	3,611,972	1,566,050	5,178,022	4,857,124
Total net position	<u>\$ 79,370,595</u>	<u>\$ 1,704,573</u>	<u>\$ 81,075,168</u>	<u>\$ 8,002,633</u>

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

Fayette County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
Operating revenues:				
Charges for sales and services:				
Water sales	\$ 13,675,296	\$ -	\$ 13,675,296	\$ -
Solid waste fees	-	80,878	80,878	-
Stormwater fees	-	759,663	759,663	-
Other services	-	-	-	7,421,479
Miscellaneous	-	-	-	126,400
Total operating revenues	13,675,296	840,541	14,515,837	7,547,879
Operating expenses:				
Costs of sales and services	4,326,471	421,549	4,748,020	6,885,981
Administration	2,577,666	-	2,577,666	429,331
Depreciation	5,409,847	16,335	5,426,182	733,810
Total operating expenses	12,313,984	437,884	12,751,868	8,049,122
Operating income (loss)	1,361,312	402,657	1,763,969	(501,243)
Nonoperating revenues (expenses):				
Interest income	10,356	133	10,489	177,473
Interest expense	(2,290,757)	-	(2,290,757)	(4,714)
Gain (loss) on disposal of capital assets	8,521	(16,387)	(7,866)	(24,400)
Other income	150,681	17,091	167,772	-
Total nonoperating revenues (expenses)	(2,121,199)	837	(2,120,362)	148,359
Income (loss) before contributions and transfers	(759,887)	403,494	(356,393)	(352,884)
Capital contributions	776,055	-	776,055	38,696
Transfers in	-	296,501	296,501	557,359
Change in net position	16,168	699,995	716,163	243,171
Total net position - beginning	79,354,427	1,004,578	80,359,005	7,759,462
Total net position - ending	\$ 79,370,595	\$ 1,704,573	\$ 81,075,168	\$ 8,002,633

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, 2014

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Water System</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 13,688,967	\$ 644,000	\$ 14,332,967	\$ 1,726,337
Receipts from interfund services provided	-	-	-	5,695,142
Payments to suppliers	(3,337,826)	(375,934)	(3,713,760)	(6,900,734)
Payments to employees	(3,410,950)	(53,368)	(3,464,318)	-
Net cash provided by operating activities	<u>6,940,191</u>	<u>214,698</u>	<u>7,154,889</u>	<u>520,745</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	296,501	296,501	557,359
Net cash provided by noncapital financing activities	<u>-</u>	<u>296,501</u>	<u>296,501</u>	<u>557,359</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on revenue bonds	(3,315,000)	-	(3,315,000)	-
Interest paid on revenue bonds	(2,459,843)	-	(2,459,843)	-
Interest paid on certificates of participation	-	-	-	(4,714)
Acquisition and construction of capital assets	(1,780,583)	(79,525)	(1,860,108)	-
Purchase of capital assets	-	-	-	(307,313)
Proceeds from sale of capital assets	8,521	-	8,521	30,303
Net cash used by capital and Related financing activities	<u>(7,546,905)</u>	<u>(79,525)</u>	<u>(7,626,430)</u>	<u>(281,724)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	10,356	133	10,489	177,473
Purchase of investments	-	-	-	(18,379)
Net cash provided by investing activities	<u>10,356</u>	<u>133</u>	<u>10,489</u>	<u>159,094</u>
Net increase (decrease) in cash and cash equivalents	(596,358)	431,807	(164,551)	955,474
Cash and cash equivalents at beginning of year	<u>25,449,263</u>	<u>844,189</u>	<u>26,293,452</u>	<u>3,101,643</u>
Cash and cash equivalents at end of year	<u>\$ 24,852,905</u>	<u>\$ 1,275,996</u>	<u>\$ 26,128,901</u>	<u>\$ 4,057,117</u>

Continued on next page

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

Fayette County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water System	Non-Major Enterprise Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,361,312	\$ 402,657	\$ 1,763,969	\$ (501,243)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	5,409,847	16,335	5,426,182	733,810
Other income	150,681	17,091	167,772	
Decrease (increase) in assets:				
Accounts and interest receivable	(98,610)	(58,028)	(156,638)	(537)
Due from other funds	17,500		17,500	
Inventory	(17,770)	-	(17,770)	-
Prepaid items	(5,151)	(96)	(5,247)	74,545
Increase (decrease) in liabilities:				
Accounts payable	149,548	5,080	154,628	(108)
Salaries and benefits payable	12,342	(12,021)	321	-
Compensated absences	3,575	(716)	2,859	-
Early termination benefits	(4,683)	-	(4,683)	-
Unearned revenue	(38,400)	(155,604)	(194,004)	-
Claims payable	-	-	-	214,278
Total adjustments	5,578,879	(187,959)	5,390,920	1,021,988
Net cash provided by operating activities	\$ 6,940,191	\$ 214,698	\$ 7,154,889	\$ 520,745
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Contributions of capital assets	\$ 776,055	\$ -	\$ 776,055	\$ -

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

Fayette County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,311,255
Taxes receivable	<u>3,905,671</u>
 Total assets	 <u>\$ 6,216,926</u>
 LIABILITIES	
Due to others	\$ 5,967,203
Tax protest / bankruptcy / tax sale	<u>249,723</u>
 Total liabilities	 <u>\$ 6,216,926</u>

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



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

NOTES TO THE FINANCIAL STATEMENTS

Fayette County, Georgia
Notes to the Financial Statements
June 30, 2014

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Fayette County, Georgia
Notes to the Financial Statements
June 30, 2014

NOTE I. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Blended Component Unit. The Fayette County Public Facilities Authority is governed by a three-member board appointed by the County’s Board of Commissioners. Although it is legally separate from the County Government, the Public Facilities Authority is reported in the financial statements as if it were part of the primary government because it serves as a financial conduit for debt issued to construct and/or maintain public buildings and related projects. The financial activity of this Authority was previously reported as the Criminal Justice Center Capital Projects Fund, which was a nonmajor governmental fund. Bond payments are currently being paid out of the general fund until a fund can be established to account for the activities of the Public Facilities Authority. 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 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 Stonewall Village Administrative Complex. The Fayette County Department of Public Health is presented as a governmental fund type. Complete financial statements for each of the individual component units can be obtained at the entity's administrative office. Their addresses are shown below:

Fayette County Development Authority
200 Courthouse Square
Fayetteville, Georgia 30214

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

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the "Statement of Net 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 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

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

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

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

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

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

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

The Government reports the following Major Governmental Funds:

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

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

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

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

The Government reports the following Major Proprietary Fund:

The *Water System Fund* accounts for the activities of the County's water system operations. The Water System provides potable water services to 28,927 customers in the unincorporated County and in Peachtree City, Tyrone, Woolsey and Brooks.

Additionally, the government reports the following fund types:

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

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 and Probate Court.

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

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

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

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

D. Overview of Accounting Structure and Fund Purposes

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

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

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

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

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

Tax Commissioner:	To account for the billing, collection and remittance of taxes to the County, Board of Education, Municipal Governments, and the State of Georgia.
Sheriff's Office:	To account for the collection and remittance of fines, costs, and bond forfeitures to the County.
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 the 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.

E. Assets, Liabilities and Equity

1. Deposits and Investments

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

The statutes of the State of Georgia authorize the County to invest in U.S. Government obligations; U.S. Government agency obligations; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "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 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.

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 16, 2013. The billings are considered due upon receipt; however, the actual due date is based on a period ending 75 days after the tax bill mailing. On November 15, 2013, the bills became delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County. The Tax Commissioner bills and collects those property taxes levied by the County, the Fayette County Board of Education, the municipalities located within the County and the State of Georgia. Collections and remittances to the County and other governmental agencies are accounted for in an Agency Fund.

All property taxes levied for the current and any previous years, but not received as of June 30, 2014, 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 \$998,000 in billed customer receivables. In addition, a receivable of \$783,357 was recorded for services rendered at year-end but not yet billed at June 30, 2014. 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.

The Stormwater Utility had \$223,663 in receivables for stormwater services at June 30, 2014. Customers are billed one time annually for stormwater services provided on a calendar year basis. The Stormwater Utility has an allowance for uncollectibles in the amount of \$8,190.

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 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 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.

Component Unit – Development Authority: As part of the bond issue for the Cooper 1996 bond series, a special covenant provided for the payment by Cooper of ad valorem property taxes on the building and other assets acquired with the bond proceeds. Over a ten-year period, Cooper will remit

payments to the Development Authority in amounts sufficient to pay current year taxes. The escrowed payments received and the investment earnings thereon will be approximately equal to the future taxes that would be paid under current property tax rates. Funds held in escrow for the payment of future years' taxes were \$667,826 at the end of the fiscal year.

5. Capital Assets

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

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

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

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

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes result a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of*

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

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

7. Compensated Absences

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

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

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

8. Long-Term Obligations

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

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

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

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

Fund Balances are classified as follows:

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

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

Net Position: As noted previously, equity for the Government-Wide and Proprietary Fund Financial Statements is classified as Net Position. On the aforementioned financial statements, the Net Position category is displayed utilizing the following three components:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, capital leases, certificates of participation or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of the component. Instead, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted Net Position** – This component of net position consists of those net position that have constraints placed on them through external restrictions by creditors (e.g., debt covenants), grantors, contributors, or laws, or regulations of other governments. This component would also include constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This component of net position consists of the net position that does not meet the definition of “invested in capital assets, net of related debt” or “restricted”. Generally, these net position represent those financial resources that are available to the County to meet any future obligations that arise.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and restricted assets are available.

10. 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.
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, 2014, \$6,786,640 was paid from the revenue fund into the sinking fund (including the debt service reserve account) with required debt and interest payments made from the sinking funds when due.

2. Debt Service Reserve

The bond resolutions require the creation and maintenance of a debt service reserve within the sinking fund. According to the resolutions, monies are to be transferred each month from the revenue fund to the reserve so that the reserve will be fully funded in an amount equal to \$5,655,863 by April 1, 2017. The debt reserve balance at June 30, 2014 is \$5,173,951, the sinking fund balances are \$3,131,965, for a debt service total of \$8,305,916, which is shown as restricted cash in the proprietary funds.

3. Renewal and Extension Fund

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

- a. Paying principal and interest on any revenue bonds falling due when there are insufficient funds in the sinking fund to make the payment;
- b. Emergency expenditures if there are insufficient funds in the revenue fund (operating account);
- c. Replacements, additions, extensions, and improvements to the system in the best interests of the county and bondholders;
- d. Payments of investment services for the investment of monies held in the renewal and extension fund (renewal and extension account); and
- e. The transfer of moneys, if any required, pursuant to the arbitrage rebate provision of the bond resolution.

4. Rates and Fee Requirements

In accordance with the bond resolutions, the Water System's schedule of rates, fees, and charges for services shall be maintained at such a level so as to produce net revenues (after payment of reasonable and necessary cost of operating and maintaining the system) equal to at least 1.20 times the amount required to be paid in to the sinking fund in the current sinking fund year. This ratio is computed annually. For the year ended June 30, 2014, the County was in compliance with this requirement.

NOTE III. – DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

1. Summary of Cash, Cash Equivalents and Investments

A summary of cash, cash equivalents and investments for Fayette County, Georgia as of June 30, 2014 is detailed in the following tabular information:

Balances per Statement of Net Position:

Unrestricted:

Cash and cash equivalents – Primary Government	\$35,668,231
Cash and cash equivalents – Development Authority	376,517
Cash and cash equivalents – Public Health	532,525
Investments – Primary Government	61,240,246
Investments – Public Health	526,675

Restricted:

Cash and cash equivalents – Primary Government	23,126,524
Cash and cash equivalents – Development Authority	667,826

Balances per Statement of Fiduciary Net Assets:

Cash – Agency Funds	<u>2,311,255</u>
Total cash, cash equivalents and investments	<u>\$124,449,799</u>

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

	<u>Primary Government</u>	<u>Agency Funds</u>	<u>Development Authority</u>	<u>Public Health</u>	<u>Total By Classification</u>
Cash and cash equivalents:					
Cash on hand	\$ 2,400	\$ --	\$ --	\$ --	\$ 2,400
Cash held by fiscal agent	171,859	--	--	--	171,859
Demand deposits at financial institutions	31,246,303	2,311,255	1,044,343	532,525	35,134,426
Georgia Fund 1 investment Pool	<u>27,374,193</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>27,374,193</u>
Total cash and cash equivalents	\$ 58,794,755	\$2,311,255	\$1,044,343	\$532,525	\$ 62,682,878
Investments:					
Certificates of deposit	--	--	--	526,675	526,675
BNY Mellon Investments	<u>61,240,246</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>61,240,246</u>
Total cash, cash equivalents and investments	<u>\$120,035,001</u>	<u>\$2,311,255</u>	<u>\$1,044,343</u>	<u>\$1,059,200</u>	<u>\$124,449,799</u>

2. Demand Deposits at Financial Institutions

Custodial Credit Risk: Custodial credit risk for demand deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and our bond resolutions require all deposits and investments (other than federal or state government instruments) be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities.

Primary Government and Agency Funds: At June 30, 2014, the carrying amount of the County's demand deposits was \$31,246,303 and the bank balances totaled \$32,093,036. The Agency Funds' accounts had a carrying value of \$2,311,255 and a bank balance of \$4,810,578. All of the County's deposits were covered either by FDIC coverage or collateralized with securities held by the County's agent in the County's name. The collateral pledged by the banks' trust department in the County's name is composed of various bonds of the U.S. Government Agencies and bonds of public authorities, counties and municipalities of the State of Georgia.

Component Unit – Development Authority: At year end, the carrying amount of the Authority's deposits was \$1,044,343, which includes \$667,826 on deposit with a broker, and the bank balance was \$1,046,478. The broker account is covered in accordance with provisions of the Securities Investor Protection Corporation. All of the bank balance was either covered by federal depository insurance or covered by collateral held in the pledging bank's trust department or by its agent in the Development Authority's name.

Component Unit – Public Health: At June 30, 2014, the Public Health Department's cash deposits were entirely covered by federal depository insurance and collateral held by the custodial bank in the Department of Public Health's name.

3. Investments

Credit Risk: Credit risk for investments is the risk that an issuer or other counterparty will not fulfill its obligations. State statutes authorize the County to invest in obligations of the State of Georgia or of other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government Agency; obligations of any corporation of the U.S. Government; repurchase agreements backed by the U.S. Government or a U.S. Government Agency; prime banker's acceptances that are eligible for purchase by the Federal Reserve bank and have a Letter of Credit rating of A+ or better; the Local Government Investment Pool (LGIP); obligations of Other Political Subdivisions of the State of Georgia; and time deposits and savings deposits of banks organized under the laws of Georgia or the U.S. Government and operating in Georgia.

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

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

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

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

To minimize this component of credit risk, the County's investment policy also provides asset allocation limits for each security type. Issuer limits are provided for each investment type with the

exception of U.S. Treasuries which have a 100% permitted allocation. The following guidelines represent maximum limits established for diversification by instrument by the Fayette County Board of Commissioners:

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

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

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

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

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

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

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

in the County's name. As of June 30, 2014, all assets within the externally managed portfolios are rated AA or better.

As indicated in the earlier tabular information, investment cash equivalents comprised \$27,374,193 or about 30.89% of the total investment balance of \$88,614,439 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>\$27,374,193</u>	48 Day Weighted Average

At June 30, 2014, the County had \$61,240,246 in investments that are not considered cash equivalents by the County because of their longer maturity dates and the fact that these monies are invested over the long-term for the County by an external money manager. As a necessary component of this portfolio due to the frequency and timing of investment activities, there is a need to maintain a portion of the balance in a short-term, highly liquid form. In keeping with those liquidity needs, there was \$141,543 deposited in the Fidelity Institutional Treasury Portfolio Money Market Fund at June 30, 2014.

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 \$61,098,703 as of June 30, 2014.

Type of Investment	Rating	Investment Maturities (in Years)				Fair Value
		Less than 1	1-5 Years	6-10 Years	More than 10	
US Treasuries	Aaa	\$ 10,307,232	\$ 20,541,537	\$ -	\$ -	\$ 30,848,769
Federal Agencies	Aaa	379,553	1,107,342	-	-	1,486,895
Other Securities	Aaa	17,033,684	10,161,148	-	-	27,194,832
Other Securities	Aa2	341,108	226,874	-	-	567,982
Other Securities	P-1	1,000,225	-	-	-	1,000,225
		<u>\$ 29,061,802</u>	<u>\$ 32,036,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,098,703</u>

The Fayette County Department of Public Health has investments consisting of certificates of deposit. As of June 30, 2014, the Health Department's cash deposits and investments were entirely covered by federal depository insurance and collateral held in the Health Department's custodial bank in the Health Department's name.

B. Receivables

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

	General	Fire Services	Emergency Medical Services	Non-Major Governmental Funds	Water System	Non-Major Enterprise Funds	Totals
Receivables:							
Property taxes	\$ 691,252	\$173,943	\$ 43,024	\$ 22,532	\$ -	\$ --	\$ 930,751
Sales taxes	838,263	-	-	-	-	-	838,263
Interest	1,986	-	-	6	-	10	2,002
Intergovernmental	85,705	-	-	-	-	-	85,705
Accounts	<u>883,068</u>	<u>49,899</u>	<u>560,188</u>	<u>881,049</u>	<u>1,781,093</u>	<u>230,971</u>	<u>4,386,268</u>
Gross receivables	2,500,274	223,842	603,212	903,587	1,781,093	230,981	6,242,989
Less: Allowance for uncollectibles	<u>(353,182)</u>	<u>(81,232)</u>	<u>(108,884)</u>	<u>(8,093)</u>	<u>(125,000)</u>	<u>(8,190)</u>	<u>(684,581)</u>
Net total receivables	<u>\$2,147,092</u>	<u>\$142,610</u>	<u>\$ 494,328</u>	<u>\$ 895,494</u>	<u>\$1,656,093</u>	<u>\$ 222,791</u>	<u>\$5,558,408</u>

C. Capital Assets

Capital assets for the Primary Government for the fiscal year ended June 30, 2014, 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 2014 fiscal year.

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 9,462,285	\$ 2,204,973	\$ -	\$ 11,667,258
Construction in progress	17,950,623	7,556,393	(11,189,608)	14,317,408
Total capital assets, not being depreciated	<u>27,412,908</u>	<u>9,761,366</u>	<u>(11,189,608)</u>	<u>25,984,666</u>
Capital assets being depreciated:				
Buildings and structures	74,732,528	-	-	74,732,528
Infrastructure	303,085,226	8,374,949	-	311,460,175
Improvements	9,732,655	-	-	9,732,655
Machinery and equipment	20,315,290	995,055	(539,101)	20,771,244
Vehicles	12,461,127	130,058	(307,179)	12,284,006
Total capital assets being depreciated	<u>420,326,826</u>	<u>9,500,062</u>	<u>(846,280)</u>	<u>428,980,608</u>
Less accumulated depreciation for:				
Buildings and structures	(25,403,038)	(2,127,111)	-	(27,530,149)
Infrastructure	(272,488,000)	(3,547,927)	-	(276,035,927)
Improvements	(3,970,267)	(395,159)	-	(4,365,426)
Machinery and equipment	(16,633,215)	(802,052)	534,745	(16,900,522)
Vehicles	(9,802,064)	(812,802)	294,640	(10,320,226)
Total accumulated depreciation	<u>(328,296,584)</u>	<u>(7,685,051)</u>	<u>829,385</u>	<u>(335,152,250)</u>
Total capital assets being depreciated, net	<u>92,030,242</u>	<u>1,815,011</u>	<u>(16,895)</u>	<u>93,828,358</u>
Governmental activities capital assets, net	<u>\$ 119,443,150</u>	<u>\$ 11,576,377</u>	<u>\$(11,206,503)</u>	<u>\$ 119,813,024</u>

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

Business-Type Activities	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 20,210,721		\$ -	\$ 20,210,721
Construction in progress	1,774,410	2,165,035	(765,373)	3,174,072
Total capital assets, not being depreciated	<u>21,985,131</u>	<u>2,165,035</u>	<u>(765,373)</u>	<u>23,384,793</u>
Capital assets being depreciated:				
Buildings and structures	57,670,285	122,880	-	57,793,165
Infrastructure	85,926,253	762,222	-	86,688,475
Improvements	14,697,251	31,339		14,728,590
Machinery and equipment	10,067,831	353,837	(80,455)	10,341,213
Total capital assets being depreciated	<u>168,361,620</u>	<u>1,270,278</u>	<u>(80,455)</u>	<u>169,551,443</u>
Less accumulated depreciation for:				
Buildings and structures	(24,193,931)	(2,106,589)	-	(26,300,520)
Infrastructure	(36,848,854)	(2,330,514)	-	(39,179,368)
Improvements	(8,613,925)	(627,048)	-	(9,240,973)
Machinery and equipment	(7,906,376)	(362,031)	30,291	(8,238,116)
Total accumulated depreciation	<u>(77,563,086)</u>	<u>(5,426,182)</u>	<u>30,291</u>	<u>(82,958,977)</u>
Total capital assets being depreciated, net	<u>90,798,534</u>	<u>(4,155,904)</u>	<u>(50,164)</u>	<u>86,592,466</u>
Business-type activities capital assets, net	<u>\$ 112,783,665</u>	<u>\$ (1,990,869)</u>	<u>\$ (815,537)</u>	<u>\$ 109,977,259</u>

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

Governmental Activities:

General Government	\$ 504,051
Judicial System	939,243
Public Safety	1,718,920
Public Works	3,992,504
Health and Welfare	4,088
Culture and Recreation	518,269
Housing and Development	<u>7,976</u>
Total depreciation expense – Governmental Activities	<u>\$7,685,051</u>

Business-Type Activities:

Water System	\$5,409,847
Solid Waste	16,335
Stormwater Utility	<u>-</u>
Total depreciation expense – Business-Type Activities	<u>\$5,426,182</u>

The component units' capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Fayette County Development Authority				
Capital assets being depreciated:				
Furniture and equipment	\$ 71,897	\$ 6,998	\$ -	\$ 78,895
Leasehold improvements	261,931	-	-	261,931
Total capital assets being depreciated	<u>333,828</u>	<u>6,998</u>	<u>-</u>	<u>340,826</u>
Less accumulated depreciation for:				
Furniture and equipment	(63,079)	(4,126)	-	(67,205)
Leasehold improvements	(83,670)	(9,893)	-	(93,563)
Total accumulated depreciation	<u>(146,749)</u>	<u>(14,019)</u>	<u>-</u>	<u>(160,768)</u>
Total capital assets being depreciated, net	<u>187,079</u>	<u>(7,021)</u>	<u>-</u>	<u>180,058</u>
Fayette County Development Authority - Capital assets, net	<u>\$ 187,079</u>	<u>\$ (7,021)</u>	<u>\$ -</u>	<u>\$ 180,058</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Fayette County Department of Public Health				
Capital assets being depreciated:				
Machinery and equipment	\$ 175,227	\$ 20,360	\$ -	\$ 195,587
Less accumulated depreciation for:				
Machinery and equipment	(173,092)	(3,084)	-	(176,176)
Fayette County Development Authority - Capital assets, net	<u>\$ 2,135</u>	<u>\$ 17,276</u>	<u>\$ -</u>	<u>\$ 19,411</u>

D. Interfund Receivables, Payables and Transfers

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing differences between receiving and recognizing certain revenues. There were no interfund receivables or payables at June 30, 2014.

Interfund transfers for the fiscal year ended June 30, 2014 is shown in the following table:

	Transfers in:				Total
	General Fund	Non-Major Governmental Funds	Non-Major Proprietary Funds	Internal Service Funds	
Transfers out:					
Capital improvement projects:					
General fund	\$ -	\$ 191,000	\$ -	\$ -	\$ 191,000
Fire fund	-	37,225	-	-	37,225
Non-Major governmental funds	18,838	104,837	296,501	-	420,176
Vehicle replacement:					
Fire fund	-	-	-	350,000	350,000
Non-Major governmental funds	-	-	-	207,359	207,359
 Total	 <u>\$ 18,838</u>	 <u>\$ 333,062</u>	 <u>\$ 296,501</u>	 <u>\$ 557,359</u>	 <u>\$ 1,205,760</u>

Interfund transfers are made for several reasons during the course of each fiscal year. First, transfers are made to move revenues from the fund with collection authorization to the Capital Projects Funds where the accounting for these construction projects occurs. Likewise, transfers are made from the Capital Projects Funds back to the original transferring fund for any monies not spent on the project. Second, transfers are made to move funds to the Vehicle 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.

E. Closure and Postclosure Care Cost

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

Governmental Accounting Standards Board, Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, requires that the County report closure and postclosure care costs as an operating expense in each reporting period based on landfill capacity used at the

balance sheet date. With the closing of both of its sanitary landfills prior to June 30, 1994, the Solid Waste Enterprise Fund recognized 100% of the total estimated amount of the closure and postclosure care costs. As of June 30, 2014 the closure and postclosure care liability account had a zero balance. EPD provides estimates of the cost and there is a potential for change due to inflation, deflation, technology, or applicable laws or regulations.

F. Long-Term Obligations

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

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

1. Water Revenue Bonds

The Water System (the "System") has pledged future water customer revenues, net of specified operating expenses, to repay \$51.9 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 \$5.8 million for the next several years. The total principal and interest remaining to be paid on the bonds is \$68,291,388. Principal and interest paid on outstanding bonds in the current year was \$5,622,275 and "net revenues" as defined by the bond ordinance were \$6,771,155.

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 \$30,000 in bonds that mature on October 1, 2014, there will remain a balance of \$190,000 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%. After redeeming the \$1,775,000 in bonds that mature on October 1, 2014, there will remain a balance of \$27,770,000 outstanding on this series.

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

c) Series 2012A Water Revenue Bonds

In April 2012, the County issued \$8,070,000 in Series 2012A Water Revenue Bonds. Depending upon the specific year, the amount maturing ranged from \$100,000 to \$3,660,000 with the longest maturity being less than thirteen and a half years (i.e., October 1, 2025) from the date of issuance. Interest rates for the various maturities ranged from 3.0% to 5.0%. The first maturity on the 2012A Series occurs on October 1, 2016.

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

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 \$1,565,000 in bonds that mature on October 1, 2014, there will remain a balance of \$12,495,000 outstanding on this series.

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

e) Schedule of Revenue Bond Activity

The following includes a summary of Water System revenue bond transactions for the fiscal year ended June 30, 2014:

Revenue Bond Issues	Balance			Balance June 30, 2014	Current Portion
	July 1, 2013	Additions	Reductions		
Series 1996A	\$ 245,000	\$ -	\$ 25,000	\$ 220,000	\$ 30,000
Series 2009	31,305,000	-	1,760,000	29,545,000	1,775,000
Series 2012A	8,070,000	-	-	8,070,000	-
Series 2012B	15,590,000	-	1,530,000	14,060,000	1,565,000
Total revenue bonds	55,210,000	-	3,315,000	51,895,000	\$ 3,370,000
<u>Less Deferred Amounts for:</u>					
Bond discounts /					
Premiums (net)	4,222,952	-	300,288	3,922,664	
Net revenue bonds	<u>\$ 59,432,952</u>	<u>\$ -</u>	<u>\$ 3,615,288</u>	<u>\$ 55,817,664</u>	

f) Schedule of Future Debt Service Payments

At June 30, 2014, the County was obligated to make payments of principal and interest on its outstanding water revenue bond debt as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 3,370,000	\$ 2,213,888	\$ 5,583,888
2016	3,405,000	2,094,625	5,499,625
2017	3,505,000	1,965,088	5,470,088
2018	3,675,000	1,817,825	5,492,825
2019	3,705,000	1,661,850	5,366,850
2020-2024	21,550,000	5,440,759	26,990,759
2025-2029	11,480,000	1,173,734	12,653,734
2030	1,205,000	28,619	1,233,619
	<u>\$ 51,895,000</u>	<u>\$ 16,396,388</u>	<u>\$ 68,291,388</u>

2. Public Facilities Authority Revenue Bonds

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

a) Series 2011 Public Facilities Authority Revenue Bonds

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

b) Schedule of Revenue Bond Activity

The following includes a summary of the Fayette County Public Facilities Authority revenue bond transactions for the fiscal year ended June 30, 2014:

Revenue Bond Issues	Balance			Balance June 30, 2014	Current Portion
	July 1, 2013	Additions	Reductions		
Series 2011	\$ 38,190,000	\$ -	\$ 1,220,000	\$ 36,970,000	\$ 1,710,000
<u>Less Deferred Amounts for:</u>					
Bond discounts / premiums (net)	1,350,453	-	79,449	1,271,004	-
Net revenue bonds	<u>\$ 39,540,453</u>	<u>\$ -</u>	<u>\$ 1,299,449</u>	<u>\$ 38,241,004</u>	<u>\$ 1,710,000</u>

c) Schedule of Future Debt Service Payments

At June 30, 2014, the County was obligated to make payments of principal and interest on the outstanding Series 2011 Fayette County Public Facilities Authority revenue bond debt as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 1,710,000	\$ 1,552,306	\$ 3,262,306
2016	1,785,000	1,477,306	3,262,306
2017	1,835,000	1,423,756	3,258,756
2018	1,890,000	1,368,706	3,258,706
2019-2023	10,570,000	5,727,131	16,297,131
2024-2028	13,095,000	3,204,162	16,299,162
2029-2030	6,085,000	437,000	6,522,000
	<u>\$ 36,970,000</u>	<u>\$ 15,190,367</u>	<u>\$ 52,160,367</u>

Certificates of Participation: In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (“the Association”). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County’s original participation totaling \$5,000,000. However, the original level of participation has decreased in recent years to only \$872,000 at June 30, 2014.

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 \$872,000 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 \$41,420. The County may draw from the investment to lease equipment from the Association. The lease pool agreement requires the County to make payments back into its investment account to fund the interest requirements of the 1998 GMA Certificates of Participation.

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

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

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

As an incentive to retire early, these employees receive health coverage until age 65, are credited with an additional five years of service and were given an unreduced retirement benefit due to their age. The net present value of the estimated future health coverage benefit is \$274,458 with \$67,122 due in the 2015 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	Additions	Reduction	Balance	Current
	July 1, 2013			June 30, 2014	Portion
Revenue bonds	\$ 38,190,000	\$ -	\$ 1,220,000	\$ 36,970,000	\$ 1,710,000
Less deferred amounts for:					
Bond discounts / premiums (net)	1,350,453	-	79,449	1,271,004	-
Total revenue bonds payable	39,540,453	-	1,299,449	38,241,004	1,710,000
Certificates of participation	872,000	-	-	872,000	-
Compensated absences	2,415,357	1,131,029	803,921	2,742,465	822,011
Arbitrage payable	904	-	904	-	-
Early termination benefits	328,025	-	73,153	254,872	62,440
Other postemployment benefits (OPEB) liability	1,022,641	226,546	115,915	1,133,272	-
Governmental Activities noncurrent liabilities	<u>\$ 44,179,380</u>	<u>\$ 1,357,575</u>	<u>\$ 2,293,342</u>	<u>\$ 43,243,613</u>	<u>\$ 2,594,451</u>

Business-Type Activities	Balance	Additions	Reduction	Balance	Current
	July 1, 2013			June 30, 2014	Portion
Revenue bonds	\$ 55,210,000	\$ -	\$ 3,315,000	\$ 51,895,000	\$ 3,370,000
Less deferred amounts for:					
Bond discounts / premiums (net)	4,222,952	-	300,288	3,922,664	-
Total revenue bonds payable	59,432,952	-	3,615,288	55,817,664	3,370,000
Compensated absences	157,896	76,115	73,256	160,755	35,757
Early termination benefits	24,135	-	4,548	19,587	4,683
Business-Type Activities noncurrent liabilities	<u>\$ 59,614,983</u>	<u>\$ 76,115</u>	<u>\$ 3,693,092</u>	<u>\$ 55,998,006</u>	<u>\$ 3,410,440</u>

For governmental activities, certificates of participation and the arbitrage payable are being retired by the vehicle replacement fund. Capital leases have been retired by the emergency 911 fund. Compensated absences, early termination benefits, net pension obligations and other post employment obligation 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.

Changes in the Fayette County Department of Public Health's compensated absences liability for the year ended June 30, 2014 are as follow:

	Balance July 1, 2013	Additions	Reduction	Balance June 30, 2014	Current Portion
Compensated absences	\$ 102,705	\$ 30,116	\$ 32,651	\$ 100,170	\$ 33,152

G. Fund Balance Classifications

The composition of the Special Programs Fund Balance Classification is as follows:

Special Program Classification: Restricted Fund Balance					
	General Fund	Fire Services Fund	Emergency Medical Services	Non-Major Governmental Funds	Total Governmental Funds
Special Programs:					
Court Services	\$ -	\$ -	\$ -	\$ 451,278	\$ 451,278
E-911 Communications	-	-	-	523,485	523,485
Law Enforcement	-	2,508,392	1,626,847	427,168	4,562,407
Street Lights	-	-	-	98,943	98,943
Grants	-	-	-	12,150	12,150
	<u>\$ -</u>	<u>\$ 2,508,392</u>	<u>\$ 1,626,847</u>	<u>\$ 1,513,024</u>	<u>\$ 5,648,263</u>

Special Program Classification: Assigned Fund Balance					
	General Fund	Fire Services Fund	Emergency Medical Services	Non-Major Governmental Funds	Total Governmental Funds
Special Programs:					
Highway Maintenance	\$ 126,211	\$ -	\$ -	\$ -	\$ 126,211
Fleet Maintenance	180	-	-	-	180
	<u>\$ 126,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,391</u>

See Note 1 for descriptions of the fund balance classifications used by the County.

NOTE IV. – OTHER INFORMATION

A. Risk Management

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

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

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

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

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

All funds of the County participate in these programs and make payments to these Internal Service Funds based on actuarial estimates of the amounts needed to pay prior and current year claims, claim reserves, and administrative costs of the programs. The total claims liability of \$628,064 reported at June 30, 2014, 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, 2014	\$ 73,367	\$ 415,053	\$ 439,024	\$ 49,396
Fiscal Year Ended June 30, 2013	28,429	610,103	565,165	73,367
Dental and Vision Claims				
Fiscal Year Ended June 30, 2014	14,390	359,120	368,775	4,735
Fiscal Year Ended June 30, 2013	31,522	343,063	360,195	14,390
Medical Claims				
Fiscal Year Ended June 30, 2014	326,029	5,494,754	5,246,850	573,933
Fiscal Year Ended June 30, 2013	902,759	4,970,113	5,546,843	326,029
Total Claims				
Fiscal Year Ended June 30, 2014	413,786	6,268,927	6,054,649	628,064
Fiscal Year Ended June 30, 2013	962,710	5,923,279	6,472,203	413,786

B. Other PostEmployment Benefits (OPEB)

Plan Description. In addition to providing pension benefits, the County provides funding for certain health care related benefits for retired employees under a single-employer defined benefit OPEB plan. Continued health care benefits in the form of single coverage will be paid fully by the County from the Major Medical Self-Insurance Fund. This benefit is limited to a period which is the shorter of (a) ten years or (b) the length of time it takes for the employee to reach the age at which they become eligible for Medicare benefits. During 2013, the Board of Commissioners discontinued the OPEB plan and only the current 28 retired employees receiving the benefit will continue to receive. Separate financial statements are not prepared for the OPEB plan.

Other retired employees have the option to pay the current employee rates amount to cover themselves, their spouse and dependents under the plan.

Funding Policy. At June 30, 2014, the County had 19 employees receiving medical insurance coverage under the plan. The County has not advance funded or established a funding methodology for the annual OPEB costs or net OPEB obligations but finances the plan on a pay-as-you-go basis. The plan is administered by the County. For the year ended June 30, 2014, the County paid an estimated \$115,915 for this benefit.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years.

The following table shows the calculation of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation for the fiscal year ended June 30, 2014:

Normal cost - Unit Credit Method	\$	-
Amortization of unfunded actuarial accrued liability (UAAL)		406,046
ARC		406,046
Interest on net OPEB obligation		1,633
Adjustment to annual required contribution		(181,133)
Annual OPEB cost (expense)		226,546
Contributions made		(115,915)
Increase in net OPEB obligation		110,631
Net OPEB obligation - beginning of the year		1,022,641
Net OPEB obligation - end of the year	\$	<u>1,133,272</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the Net OPEB obligation for the three most recent fiscal years are shown in the following table.

Fiscal Year Ended	Annual OPEB Cost	Actual County Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 226,546	\$ 115,915	51.17%	\$ 1,133,272
June 30, 2013	226,352	105,056	46.41%	1,022,641
June 30, 2012	334,702	42,960	12.84%	901,345

Funding Status and Funding Progress. The funded status of the Health Plan as of June 30, 2013,

Actuarial accrued liability (AAL) - Unit Credit	\$	1,918,628
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	<u>1,918,628</u>
Funded ratio (actuarial value of plan assets / AAL)		0.0%
Covered payroll	\$	-
UAAL as a percentage of covered payroll		n/a

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. GASB 45 requires that the schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of

the Health Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. The basis for projections of benefits for financial reporting purposes is the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County’s actuarial valuation information is as follows:

Current valuation date: July 1, 2013
 Actuarial cost method: Unit credit method
 Amortization method: Closed
 Initial Amortization period: 30
 Remaining amortization period: 5
 Asset valuation method: Not applicable
 Actuarial assumptions:

Investment rate of return Not applicable

Healthcare cost trend rate

	<u>Medical</u>	<u>Pharmacy</u>	<u>Excise Tax Threshold</u>
2014	9.00%	7.00%	0.00%
2015	8.50%	7.00%	0.00%
2016	8.00%	7.00%	0.00%
2017	7.50%	7.00%	0.00%
2018	7.00%	7.00%	4.24%
2019	6.50%	6.50%	3.24%
2020	6.00%	6.00%	3.24%
2021	5.50%	5.50%	3.24%
2022	5.00%	5.00%	3.24%

Discount rate .1596%

Inflation Assumption 1.5% (Included in above trend rates)

C. Employees’ Pension Plan

In the fiscal year 2010, the County established a hybrid retirement plan for employees. The plan consists of a defined benefit and a defined contribution component. Employees are eligible for the plan if they are at least 18 years old and work a minimum of 30 hours per week. Participation in the defined benefit plan begins upon employment. Participants are vested after 5 years.

In the case of the defined contribution plan, the employee becomes eligible on the first day of the month following three months of employment. Participants are vested at 20 percent intervals over the first five years of employment.

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Fayette County Employees (The Plan), which is a defined benefit pension plan. The plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan, administered by the Government Employee Benefits Corporation (GEBCorp). The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document.

The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. GEBCorp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. This report can be obtained by contacting GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Funding Policy. The County is required to contribute an actuarially determined amount annually to the Plan’s trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The actuarial recommended contribution rate based on the January 1, 2014 valuation was 0.6% of payroll.

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

Current valuation date	January 1, 2014
Annual return on invested plan assets	7.50%
Projected annual salary increases	2.0%-4.5% based on age
Expected annual inflation	3.00%
Actuarial value of assets	Market value
Actuarial funding method	Projected unit credit
Amortization method	Level percent of pay (closed)
Amortization period	Ten years

Current Funded Status. As of the most recent valuation date, January 1, 2014, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Surplus)/ Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
January 1, 2014	\$35,052,441	\$29,856,452	\$(5,195,989)	117.4%	\$30,117,848	(17.3%)

Actuarial valuations for pension plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and

new estimates are made in the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

	<u>Fiscal year ended June 30</u>	
	<u>2014</u>	<u>2013</u>
Derivation of annual pension cost:		
Annual required contribution	\$ 738,027	\$ 732,243
Interest on net pension asset	(133,389)	(96,829)
Amortization of net pension obligation	142,724	103,605
Annual pension cost	<u>\$ 747,362</u>	<u>\$ 739,019</u>

	<u>Fiscal year ended June 30</u>	
	<u>2014</u>	<u>2013</u>
Derivation of net pension asset:		
Net pension asset - beginning of the year	\$ 1,967,430	\$ 1,495,687
Annual pension cost for fiscal year	(747,362)	(739,019)
Annual contributions to plan for fiscal year	549,620	1,210,762
Increase in net pension assets	<u>(197,742)</u>	<u>471,743</u>
Net pension asset - end of the year	<u>\$ 1,769,688</u>	<u>\$ 1,967,430</u>

Three Year Trend Information for the Defined Benefit Pension Plan:

<u>For Fiscal Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual County Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
June 30, 2014	\$ 747,362	\$ 549,620	73.54%	\$ 1,769,688
June 30, 2013	739,019	1,210,762	163.83%	1,967,430
June 30, 2012	781,442	1,227,929	157.14%	1,495,687

In conjunction with the defined benefit plan, the County offers a defined contribution plan administered by Mass Mutual. The 401(a) pension plan is a defined contribution plan that covers substantially all full time County employees. Under the current provisions, the County will match contributions made by an employee to the deferred compensation plan on a 1-for-2 basis up to a maximum contribution by the County of 2.5%. Contributions are calculated and made on a biweekly payroll basis. During the fiscal year, employees contributed \$1,493,469 to the defined contribution plan and the County contributed \$562,690 in matching funds. The Board of Commissioners establishes matching percentages.

D. Contingent Liabilities

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

E. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Fayette County. The County's membership dues paid to the ARC for the fiscal year ended June 30, 2014 were \$109,100. Membership in the ARC is required by the Official Code of Georgia (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The ARC board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-9-30.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements of the ARC may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

F. 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.

G. General Fund Fund Balance – Committed and Assigned Designations

On the Governmental Funds Balance Sheet, the total Fund Balance for the General Fund at June 30, 2014 was \$32,493,437. The various components comprising that amount are as follows:

Fund balance:		
Nonspendable:		
Inventories		\$ 202,728
Committed to:		
Stabilization fund		10,786,253
Assigned to:		
Emergencies	\$2,000,000	
Stormwater loan	2,000,000	
Special programs	126,391	
Capital projects	<u>8,680,064</u>	<u>12,806,455</u>
Unassigned		<u>8,698,001</u>
Total fund balance		<u>\$32,493,437</u>

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

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

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 which totaled \$126,391 at June 30, 2014. Accordingly, encumbrances are disclosed by purpose in Note 3.G. as Special Programs.



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

REQUIRED SUPPLEMENTARY INFORMATION

Fayette County, Georgia
Required Supplementary Information

Fayette County Employees Defined Benefit Pension Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	(Surplus) Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
1/1/2010	\$ 15,311,443	\$ 15,500,023	\$ 188,580	98.78%	\$ 30,397,046	0.62%
1/1/2011	18,640,690	18,028,224	(612,466)	103.40%	31,434,837	-1.95%
1/1/2012	22,388,253	20,270,412	(2,117,841)	110.45%	31,009,475	-6.83%
1/1/2013	30,581,382	23,035,577	(7,545,805)	132.76%	31,794,136	-23.73%
1/1/2014	35,052,441	29,856,452	(5,195,989)	117.40%	30,117,848	-17.25%

Other PostEmployment Benefits Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
1/1/2009	\$ -	\$ 1,451,450	\$ 1,451,450	0.00%	\$ 32,700,000	4.44%
1/1/2011	-	2,197,298	2,197,298	0.00%	32,500,000	6.76%
6/30/2013	-	1,918,628	1,918,628	0.00%	-	0.00%



"WHERE QUALITY
IS A LIFESTYLE"

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Fayette County, Georgia
NonMajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

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, 2014

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 1,646,868	\$ 5,156,555	\$ 6,803,423
Investments	-	4,086,817	4,086,817
Receivables (net of allowances for uncollectibles)	465,140	430,354	895,494
Total assets	\$ 2,112,008	\$ 9,673,726	\$ 11,785,734
 LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 68,997	\$ 828,819	\$ 897,816
Salary and benefits payable	63,363	-	63,363
Total liabilities	132,360	828,819	961,179
 Deferred inflows of resources -			
Unearned revenue	11,439	-	11,439
 Fund balances:			
Restricted for:			
Capital projects	-	838,456	838,456
Court services	451,278	-	451,278
E-911 communications	523,485	-	523,485
Law enforcement purposes	427,168	-	427,168
Street lights	98,943	-	98,943
Federal and state grants	12,150	-	12,150
Committed for -			
Capital projects	455,185	8,006,451	8,461,636
Total fund balances	1,968,209	8,844,907	10,813,116
 Total liabilities, deferred inflows of resources, and fund balances			
	\$ 2,112,008	\$ 9,673,726	\$ 11,785,734

Fayette County, Georgia
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2014

	Emergency 911	Street Lights	Grants	Confiscated Assets	Fine Surcharges	Totals
ASSETS:						
Cash and cash equivalents	\$ 702,979	\$ 98,158	\$ 12,150	\$ 416,208	\$ 417,373	\$ 1,646,868
Receivables (net of allowances for uncollectibles)	395,184	3,373	-	10,210	56,373	465,140
Total assets	<u>\$ 1,098,163</u>	<u>\$ 101,531</u>	<u>\$ 12,150</u>	<u>\$ 426,418</u>	<u>\$ 473,746</u>	<u>\$ 2,112,008</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 47,780	\$ -	\$ -	\$ -	\$ 21,217	\$ 68,997
Salary and benefits payable	62,862	-	-	-	501	63,363
Total liabilities	<u>110,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,718</u>	<u>132,360</u>
Deferred inflows of resources - Unearned revenue	<u>8,851</u>	<u>2,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,439</u>
Fund balances:						
Restricted for:						
Court services purposes	-	-	-	-	451,278	451,278
E-911 communications	523,485	-	-	-	-	523,485
Law enforcement purposes	-	-	-	426,418	750	427,168
Street lights	-	98,943	-	-	-	98,943
Federal and state grants	-	-	12,150	-	-	12,150
Committed for - Capital projects	<u>455,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>455,185</u>
Total fund balances	<u>978,670</u>	<u>98,943</u>	<u>12,150</u>	<u>426,418</u>	<u>452,028</u>	<u>1,968,209</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 1,098,163</u>	<u>\$ 101,531</u>	<u>\$ 12,150</u>	<u>\$ 426,418</u>	<u>\$ 473,746</u>	<u>\$ 2,112,008</u>

Fayette County, Georgia
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2014

	Unincorporated County Roads SPLOST	Early Warning Sirens	Kenwood Park Construction	General Capital Projects	Totals
ASSETS:					
Cash and cash equivalents	\$ 849,252	\$ -	\$ 648,051	\$ 3,659,252	\$ 5,156,555
Investments	-	-	-	4,086,817	4,086,817
Receivables (net of allowances for uncollectibles)	-	-	6	430,348	430,354
Total assets	\$ 849,252	\$ -	\$ 648,057	\$ 8,176,417	\$ 9,673,726
LIABILITIES AND FUND BALANCES:					
Liabilities -					
Accounts payable	\$ 10,796	\$ -	\$ -	\$ 818,023	\$ 828,819
Total liabilities	10,796	-	-	818,023	828,819
Fund balances:					
Restricted for -					
Capital projects	838,456	-	-	-	838,456
Committed to -					
Capital projects	-	-	648,057	7,358,394	8,006,451
Total fund balances	838,456	-	648,057	7,358,394	8,844,907
Total liabilities and fund balances	\$ 849,252	\$ -	\$ 648,057	\$ 8,176,417	\$ 9,673,726

Fayette County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:			
Taxes:			
Property	\$ 1,216,212	\$ -	\$ 1,216,212
Sales	-	47,823	47,823
Other	2,802	-	2,802
Intergovernmental	477,994	662,805	1,140,799
Charges for services	2,474,036	-	2,474,036
Fines and forfeitures	938,993	-	938,993
Investment earnings	151	26,261	26,412
Contributions and donations	77,594	-	77,594
Total revenues	<u>5,187,782</u>	<u>736,889</u>	<u>5,924,671</u>
EXPENDITURES:			
Current:			
Judicial system	550,500	-	550,500
Public safety	4,180,116	-	4,180,116
Public works	303,258	-	303,258
Capital outlay	-	3,251,572	3,251,572
Intergovernmental	-	3,249	3,249
Total expenditures	<u>5,033,874</u>	<u>3,254,821</u>	<u>8,288,695</u>
Excess (deficiency) of revenues over (under) expenditures	<u>153,908</u>	<u>(2,517,932)</u>	<u>(2,364,024)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	94,000	239,062	333,062
Transfers out	-	(627,535)	(627,535)
Total other financing sources (uses)	<u>94,000</u>	<u>(388,473)</u>	<u>(294,473)</u>
Net change in fund balance	247,908	(2,906,405)	(2,658,497)
Fund balance, beginning of year	<u>1,720,301</u>	<u>11,751,312</u>	<u>13,471,613</u>
Fund balance, end of year	<u>\$ 1,968,209</u>	<u>\$ 8,844,907</u>	<u>\$ 10,813,116</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, 2014

REVENUES:	Emergency 911	Street Lights	Grants	Confiscated Assets	Fine Surcharges	Totals
Taxes:						
Property	\$ 888,957	\$ 327,255	\$ -	\$ -	\$ -	\$ 1,216,212
Other	2,802	-	-	-	-	2,802
Intergovernmental	-	-	(227)	-	478,221	477,994
Charges for services	2,474,036	-	-	-	-	2,474,036
Fines and forfeitures	-	-	-	512,583	426,410	938,993
Investment earnings	-	-	-	151	-	151
Contributions and donations	77,594	-	-	-	-	77,594
Total revenues	<u>3,443,389</u>	<u>327,255</u>	<u>(227)</u>	<u>512,734</u>	<u>904,631</u>	<u>5,187,782</u>
EXPENDITURES:						
Current:						
Judicial system	-	-	-	-	550,500	550,500
Public safety	2,747,734	-	239,102	837,174	356,106	4,180,116
Public works	-	303,258	-	-	-	303,258
Total expenditures	<u>2,747,734</u>	<u>303,258</u>	<u>239,102</u>	<u>837,174</u>	<u>906,606</u>	<u>5,033,874</u>
Excess (deficiency) of revenues Over (under) expenditures	695,655	23,997	(239,329)	(324,440)	(1,975)	153,908
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	94,000	94,000
Net change in fund balance	695,655	23,997	(239,329)	(324,440)	92,025	247,908
Fund balance, beginning of year	283,015	74,946	251,479	750,858	360,003	1,720,301
Fund balance, end of year	<u>\$ 978,670</u>	<u>\$ 98,943</u>	<u>\$ 12,150</u>	<u>\$ 426,418</u>	<u>\$ 452,028</u>	<u>\$ 1,968,209</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, 2014

	Unincorporated County Roads SPLOST	Early Warning Sirens	Kenwood Park	General Capital Projects	Totals
REVENUES:					
Taxes -					
Special purpose local option sales tax (SPLOST)	\$ 47,823	\$ -	\$ -	\$ -	\$ 47,823
Intergovernmental	-	-	-	662,805	662,805
Investment earnings	1,048	3	60	25,150	26,261
Total revenues	<u>48,871</u>	<u>3</u>	<u>60</u>	<u>687,955</u>	<u>736,889</u>
EXPENDITURES:					
Capital outlay	155,876	-	-	3,095,696	3,251,572
Intergovernmental	3,249	-	-	-	3,249
Total expenditures	<u>159,125</u>	<u>-</u>	<u>-</u>	<u>3,095,696</u>	<u>3,254,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,254)</u>	<u>3</u>	<u>60</u>	<u>(2,407,741)</u>	<u>(2,517,932)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	239,062	239,062
Transfers out	-	(104,837)	-	(522,698)	(627,535)
Total other financing sources (uses)	<u>-</u>	<u>(104,837)</u>	<u>-</u>	<u>(283,636)</u>	<u>(388,473)</u>
Net change in fund balance	(110,254)	(104,834)	60	(2,691,377)	(2,906,405)
Fund balance, beginning of year	<u>948,710</u>	<u>104,834</u>	<u>647,997</u>	<u>10,049,771</u>	<u>11,751,312</u>
Fund balance, end of year	<u>\$ 838,456</u>	<u>\$ -</u>	<u>\$ 648,057</u>	<u>\$ 7,358,394</u>	<u>\$ 8,844,907</u>

Fayette County, Georgia
Emergency 911 (E-911) Tax District Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 906,700	\$ 906,700	\$ 888,957	\$ (17,743)
Other	2,000	2,000	2,802	802
Charges for services	2,156,000	2,156,000	2,474,036	318,036
Investment earnings	35	35	-	(35)
Contributions and donations	-	-	77,594	77,594
Total revenues	<u>3,064,735</u>	<u>3,064,735</u>	<u>3,443,389</u>	<u>378,654</u>
EXPENDITURES:				
Current -				
Public safety -				
Emergency 911	2,787,256	2,911,158	2,747,734	163,424
Total expenditures	<u>2,787,256</u>	<u>2,911,158</u>	<u>2,747,734</u>	<u>163,424</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>277,479</u>	<u>153,577</u>	<u>695,655</u>	<u>542,078</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(123,902)	-	-	-
Total other financing sources (uses)	<u>(123,902)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 153,577</u>	<u>\$ 153,577</u>	695,655	<u>\$ 542,078</u>
Fund balance, beginning of year			<u>283,015</u>	
Fund balance, end of year			<u>\$ 978,670</u>	

Fayette County, Georgia
Street Lights Tax District Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes -				
Property	\$ 317,000	\$ 317,000	\$ 327,255	\$ 10,255
EXPENDITURES:				
Current -				
Public works -				
Street lights	299,016	304,166	303,258	908
Excess (deficiency) of revenues over (under) expenditures	17,984	12,834	23,997	11,163
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,150)	-	-	-
Total other financing sources (uses)	(5,150)	-	-	-
Net change in fund balance	<u>\$ 12,834</u>	<u>\$ 12,834</u>	23,997	<u>\$ 11,163</u>
Fund balance, beginning of year			74,946	
Fund balance, end of year			<u>\$ 98,943</u>	

Fayette County, Georgia
Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental -				
Judicial data exchange grant	\$ 10,858	\$ 10,858	\$ (227)	\$ (11,085)
EXPENDITURES:				
Current:				
Judicial system -				
Judicial data exchange	12,576	12,576	-	12,576
Public safety:				
Emergency services	239,588	239,588	239,102	486
Emergency management	5,687	5,687	-	5,687
Fire services	169	169	-	169
Total expenditures	258,020	258,020	239,102	18,918
Excess (deficiency) of revenues over (under) expenditures	(247,162)	(247,162)	(239,329)	7,833
OTHER FINANCING SOURCES (Uses):				
Transfers out	(91,200)	-	-	-
Total other financing sources (uses)	(91,200)	-	-	-
Net change in fund balance	<u>\$ (338,362)</u>	<u>\$ (247,162)</u>	(239,329)	<u>\$ 7,833</u>
Fund balance, beginning of year			251,479	
Fund balance, end of year			<u>\$ 12,150</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, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Fines and forfeitures:				
U. S. customs	\$ -	\$ 208,193	\$ 208,192	\$ (1)
Federal	-	272,295	272,295	-
State	17,900	17,900	32,096	14,196
Investment earnings	-	151	151	-
Total revenues	<u>17,900</u>	<u>498,539</u>	<u>512,734</u>	<u>14,195</u>
EXPENDITURES:				
Current -				
Public safety -				
Sheriff's office:				
U. S. customs	-	308,332	308,328	4
Federal	-	512,243	512,231	12
State	17,900	17,900	16,615	1,285
Total expenditures	<u>17,900</u>	<u>838,475</u>	<u>837,174</u>	<u>1,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (339,936)</u>	(324,440)	<u>\$ 15,496</u>
Fund balance, beginning of year			<u>750,858</u>	
Fund balance, end of year			<u>\$ 426,418</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental:				
Jail surcharge	\$ 176,000	\$ 176,000	\$ 241,894	\$ 65,894
Victims' assistance surcharge	75,000	75,000	85,590	10,590
Drug court grant	-	158,091	150,737	(7,354)
Fines and forfeitures:				
Jail surcharge	125,000	125,000	109,755	(15,245)
Victims' assistance surcharge	56,000	56,000	48,385	(7,615)
Drug abuse education surcharge	132,000	132,000	196,850	64,850
Juvenile court supervision surcharge	25,000	15,367	15,367	-
Law library surcharge	63,000	56,052	56,053	1
Total revenues	<u>652,000</u>	<u>793,510</u>	<u>904,631</u>	<u>111,121</u>
EXPENDITURES:				
Current:				
Judicial system:				
Victims' assistance	129,395	129,395	129,395	-
Drug abuse education	110,000	328,063	324,263	3,800
Juvenile court supervision	24,971	24,971	13,425	11,546
Law library	62,160	83,418	83,417	1
Public safety -				
Jail construction	395,000	395,000	356,106	38,894
Total expenditures	<u>721,526</u>	<u>960,847</u>	<u>906,606</u>	<u>54,241</u>
Excess (deficiency) of revenues over (under) expenditures	(69,526)	(167,337)	(1,975)	165,362
OTHER FINANCING SOURCES:				
Transfers in	94,000	94,000	94,000	-
Net change in fund balance	<u>\$ 24,474</u>	<u>\$ (73,337)</u>	92,025	<u>\$ 165,362</u>
Fund balance, beginning of year			<u>360,003</u>	
Fund balance, end of year			<u>\$ 452,028</u>	

Fayette County, Georgia
County-Wide Roads SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2014

	<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)	\$ 68,303,785	\$ 14,829	\$ 68,318,614	\$ 81,100,087
Intergovernmental -				
Grants	447,824	-	447,824	-
Investment earnings	4,117,718	149,086	4,266,804	-
Total revenues	<u>72,869,327</u>	<u>163,915</u>	<u>73,033,242</u>	<u>81,100,087</u>
EXPENDITURES:				
Capital outlay -				
Streets and bridges	27,778,587	4,315,322	32,093,909	81,100,087
Intergovernmental -				
City of Fayetteville	2,133,599	973,216	3,106,815	-
Total expenditures	<u>29,912,186</u>	<u>5,288,538</u>	<u>35,200,724</u>	<u>81,100,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,957,141</u>	<u>(5,124,623)</u>	<u>37,832,518</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers in	205,000	-	205,000	-
Sale of capital assets	97	-	97	-
Total other financing sources (uses)	<u>205,097</u>	<u>-</u>	<u>205,097</u>	<u>-</u>
Net change in fund balance	<u>\$ 43,162,238</u>	<u>(5,124,623)</u>	<u>\$ 38,037,615</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>43,162,238</u>		
Fund balance, end of year		<u>\$ 38,037,615</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, 2014

	<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)	\$ 29,273,015	\$ 47,823	\$ 29,320,838	\$ 34,757,180
Intergovernmental:				
Clayton County	65,959	-	65,959	-
City of Peachtree City	63,263	-	63,263	-
Investment earnings	472,327	1,048	473,375	-
Total revenues	<u>29,874,564</u>	<u>48,871</u>	<u>29,923,435</u>	<u>34,757,180</u>
EXPENDITURES:				
Capital outlay -				
Streets and bridges	13,783,115	155,876	13,938,991	16,780,767
Intergovernmental:				
Town of Brooks	178,617	-	178,617	212,019
City of Fayetteville	3,577,769	777	3,578,546	4,247,327
City of Peachtree City	10,130,181	2,199	10,132,380	12,025,984
Town of Tyrone	1,256,172	273	1,256,445	1,491,083
Total expenditures	<u>28,925,854</u>	<u>159,125</u>	<u>29,084,979</u>	<u>34,757,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 948,710</u>	(110,254)	<u>\$ 838,456</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>948,710</u>		
Fund balance, end of year		<u>\$ 838,456</u>		

Fayette County, Georgia
Early Warning Sirens
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Intergovernmental:				
Grants	\$ 219,247	\$ -	\$ 219,247	\$ 201,399
Cities	5,405	-	5,405	5,405
Investment earnings	4,008	3	4,011	-
Miscellaneous revenues	500	-	500	-
Total revenues	<u>229,160</u>	<u>3</u>	<u>229,163</u>	<u>206,804</u>
EXPENDITURES:				
Capital outlay -				
Early warning siren system	1,051,677	-	1,051,677	1,095,168
Total expenditures	<u>1,051,677</u>	<u>-</u>	<u>1,051,677</u>	<u>1,095,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(822,517)</u>	<u>3</u>	<u>(822,514)</u>	<u>(888,364)</u>
OTHER FINANCING SOURCES:				
Transfers in	933,364	-	933,364	888,364
Transfers out	(6,013)	(104,837)	(110,850)	-
Total other financing sources (uses)	<u>927,351</u>	<u>(104,837)</u>	<u>822,514</u>	<u>888,364</u>
Net change in fund balance	<u>\$ 104,834</u>	<u>(104,834)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>104,834</u>		
Fund balance, end of year		<u>\$ -</u>		

Fayette County, Georgia
Kenwood Park Construction Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2014

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Project Authorization</u>
REVENUES:				
Investment earnings	\$ 38,706	\$ 60	\$ 38,766	\$ -
Total revenues	<u>38,706</u>	<u>60</u>	<u>38,766</u>	<u>-</u>
EXPENDITURES:				
Capital outlay -				
Kenwood park construction	4,281,055	-	4,281,055	4,890,346
Total expenditures	<u>4,281,055</u>	<u>-</u>	<u>4,281,055</u>	<u>4,890,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,242,349)</u>	<u>60</u>	<u>(4,242,289)</u>	<u>(4,890,346)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,940,346	-	4,940,346	4,940,346
Transfers out	(50,000)	-	(50,000)	(50,000)
Total other financing sources sources (uses)	<u>4,890,346</u>	<u>-</u>	<u>4,890,346</u>	<u>4,890,346</u>
Net change in fund balance	<u>\$ 647,997</u>	<u>60</u>	<u>\$ 648,057</u>	<u>\$ -</u>
Fund balance, beginning of year		<u>647,997</u>		
Fund balance, end of year		<u>\$ 648,057</u>		

Fayette County, Georgia
NonMajor Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for activity for which a fee is charged to external users for goods or services. The County has the following two NonMajor Enterprise Funds.

Solid Waste Fund – This fund is used to account for residential user fees and host fees generated from Fayette County Solid Waste and Recycling transfer station. It is operated by Waste Management at 211 First Manassas Mile Road, Fayetteville, Georgia.

Stormwater Utility Fund - This fund is used to account for stormwater user fees funding Fayette County's Stormwater Management and System Improvement Programs. These funds go to maintain stormwater infrastructure within County owned properties and right-of-ways. The replacement of the infrastructures is based on a ranking system with priority given to public safety concerns.

Fayette County, Georgia
Combining Statement of Net Position
Non-Major Business-Type Enterprise Funds
June 30, 2014

	Solid Waste	Stormwater Utility	Total
ASSETS:			
Current assets:			
Cash and cash equivalents:			
Unrestricted	\$ 856,306	\$ 419,690	\$ 1,275,996
Interest receivable	10	-	10
Accounts receivable, net of allowance	7,308	215,473	222,781
Prepaid items	-	96	96
Total assets	<u>863,624</u>	<u>635,259</u>	<u>1,498,883</u>
Non-current assets -			
Capital assets:			
Land	16,517	-	16,517
Improvements other than buildings	120,170	-	120,170
Buildings and other structures	158,499	-	158,499
Machinery, equipment and vehicles	210,445	-	210,445
Construction in progress	-	79,525	79,525
Less: accumulated depreciation	(367,108)	-	(367,108)
Total capital assets (net of accumulated depreciation)	<u>138,523</u>	<u>79,525</u>	<u>218,048</u>
Total assets	<u>1,002,147</u>	<u>714,784</u>	<u>1,716,931</u>
LIABILITIES			
Current liabilities:			
Accounts payable	10,523	-	10,523
Salary and benefits payable	1,563	-	1,563
Compensated absences	11	-	11
	<u>12,097</u>	<u>-</u>	<u>12,097</u>
Noncurrent liabilities:			
Compensated absences	261	-	261
Total liabilities	<u>12,358</u>	<u>-</u>	<u>12,358</u>
NET POSITION			
Net investment in capital assets	138,523	-	138,523
Unrestricted	851,266	714,784	1,566,050
	<u>\$ 989,789</u>	<u>\$ 714,784</u>	<u>\$ 1,704,573</u>

Fayette County, Georgia
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Solid Waste	Stormwater Utility	Total
Operating revenues:			
Charges for sales and services:			
Solid waste fees	\$ 80,878	\$ -	\$ 80,878
Stormwater fees	-	759,663	759,663
Total operating revenues	<u>80,878</u>	<u>759,663</u>	<u>840,541</u>
Operating expenses:			
Cost of sales and services	331,890	89,659	421,549
Depreciation	16,335	-	16,335
Total operating expenses	<u>348,225</u>	<u>89,659</u>	<u>437,884</u>
Operating income (loss)	<u>(267,347)</u>	<u>670,004</u>	<u>402,657</u>
Nonoperating revenues (expenses):			
Interest income	133	-	133
Gain (loss) on disposal of capital assets	-	(16,387)	(16,387)
Other income	15,911	1,180	17,091
Total nonoperating revenues (expenses)	<u>16,044</u>	<u>(15,207)</u>	<u>837</u>
Income before transfers	(251,303)	654,797	403,494
Transfers in	<u>296,501</u>	<u>-</u>	<u>296,501</u>
Change in net position	45,198	654,797	699,995
Total net position - beginning	<u>944,591</u>	<u>59,987</u>	<u>1,004,578</u>
Total net position - ending	<u>\$ 989,789</u>	<u>\$ 714,784</u>	<u>\$ 1,704,573</u>

Fayette County, Georgia
Combining Statement of Cash Flows
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Solid Waste	Stormwater Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 98,630	\$ 545,370	\$ 644,000
Payments to suppliers	(285,923)	(90,011)	(375,934)
Payments to employees	(39,502)	(13,866)	(53,368)
Net cash provided (used) by operating activities	<u>(226,795)</u>	<u>441,493</u>	<u>214,698</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	<u>296,501</u>	<u>-</u>	<u>296,501</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Construction of capital assets	<u>-</u>	<u>(79,525)</u>	<u>(79,525)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>133</u>	<u>-</u>	<u>133</u>
Net increase in cash and cash equivalents	69,839	361,968	431,807
Cash and cash equivalents at beginning of year	<u>786,467</u>	<u>57,722</u>	<u>844,189</u>
Cash and cash equivalents at end of year	<u><u>\$ 856,306</u></u>	<u><u>\$ 419,690</u></u>	<u><u>\$ 1,275,996</u></u>

Fayette County, Georgia
Combining Statement of Cash Flows
Non-Major Business-Type Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Solid Waste	Stormwater Utility	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:			
Operating income (loss)	(267,347)	670,004	402,657
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	16,335	-	16,335
Other income	15,911	1,180	17,091
Decrease (increase) in assets:			
Accounts receivable	1,841	(59,869)	(58,028)
Prepaid items	-	(96)	(96)
Increase (decrease) in liabilities:			
Accounts payable	5,336	(256)	5,080
Salaries and benefits payable	857	(12,878)	(12,021)
Compensated absences	272	(988)	(716)
Unearned revenue	-	(155,604)	(155,604)
Total adjustments	40,552	(228,511)	(187,959)
Net cash provided (used) by operating activities	\$ (226,795)	\$ 441,493	\$ 214,698

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, 2014

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, 2014

MUNICIPALITIES AND UNINCORPORATED COUNTY PROJECTS - BY JURISDICTION (30% of total tax proceeds)	Original Cost <u>Estimate</u>	Revised Cost <u>Estimate</u>	Prior Years' <u>Expenditures</u>	Current Year's <u>Expenditures</u>	Total Amount <u>Expended</u>
Unincorporated county projects:					
Intersections	\$ 2,450,000	\$ 2,450,000	\$ 1,364,998 *	\$ 155,876	\$ 1,520,874
Roadways	<u>14,330,767</u>	<u>14,330,767</u>	<u>12,418,117</u> *	<u>-</u>	<u>12,418,117</u>
Total unincorporated county projects	<u>16,780,767</u>	<u>16,780,767</u>	<u>13,783,115</u>	<u>155,876</u>	<u>13,938,991</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	3,577,769	777	3,577,769
City of Peachtree City	12,025,984	12,025,984	10,130,181	2,199	10,130,181
Town of Tyrone	<u>1,491,083</u>	<u>1,491,083</u>	<u>1,256,172</u>	<u>273</u>	<u>1,256,172</u>
Total proceeds distributed to municipalities for projects	<u>17,976,413</u>	<u>17,976,413</u>	<u>15,142,739</u>	<u>3,249</u>	<u>15,142,739</u>
Total Municipalities and unincorporated County projects - by Jurisdiction	<u>\$ 34,757,180</u>	<u>\$ 34,757,180</u>	<u>\$ 28,925,854</u>	<u>\$ 159,125</u>	<u>\$ 29,081,730</u>
COUNTY-WIDE PROJECTS (70% of total tax proceeds)					
Bridges	3,670,000	3,670,000	2,027,515	2,061,344	4,088,859
Intersections	3,657,400	3,657,400	1,522,752	7,656	1,530,408
Roadways	67,975,787	67,975,787	25,588,622	3,219,538	28,808,160
Streetscapes / paths	<u>5,796,900</u>	<u>5,796,900</u>	<u>773,297</u>	<u>-</u>	<u>773,297</u>
Total county-wide projects	<u>81,100,087</u>	<u>81,100,087</u>	<u>29,912,186</u>	<u>5,288,538</u>	<u>35,200,724</u>
Total all projects	<u>\$ 115,857,267</u>	<u>\$ 115,857,267</u>	<u>\$ 58,838,040</u>	<u>\$ 5,447,663</u>	<u>\$ 64,282,454</u>

* An offsetting adjustment was made to the beginning balances of intersections and roadways due to the current year expenditures for fiscal year 2012 were reversed in error. The current year expenditures for the fiscal year ended 6/30/2013 for Intersections and Roadways should have been \$490,735 and \$6,868, respectively. The Prior Years' Expenditures column was adjusted for each of these amounts by \$483,867 to correct the error.



Fayette
COUNTY

“WHERE QUALITY
IS A LIFESTYLE”

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
Statement of Net Position
Internal Service Funds
June 30, 2014

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
ASSETS					
Current assets:					
Unrestricted cash	\$ 114,221	\$ 142,401	\$ 1,090,832	\$ 1,584,276	\$ 2,931,730
Restricted cash	-	-	-	953,528	953,528
Cash with fiscal agent	-	-	171,859	-	171,859
Investments	-	-	-	3,062,012	3,062,012
Accounts receivable	-	25	512	108,000	108,537
Prepaid items	6,750	-	-	-	6,750
Total current assets	<u>120,971</u>	<u>142,426</u>	<u>1,263,203</u>	<u>5,707,816</u>	<u>7,234,416</u>
Noncurrent assets -					
Capital assets:					
Machinery, equipment and vehicles	-	-	-	14,823,426	14,823,426
Less: accumulated depreciation	-	-	-	(12,549,917)	(12,549,917)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,273,509</u>	<u>2,273,509</u>
Total assets	<u>120,971</u>	<u>142,426</u>	<u>1,263,203</u>	<u>7,981,325</u>	<u>9,507,925</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	-	-	5,228	5,228
Claims payable	49,396	4,735	573,933	-	628,064
Total current liabilities	<u>49,396</u>	<u>4,735</u>	<u>573,933</u>	<u>5,228</u>	<u>633,292</u>
Noncurrent liabilities:					
Certificates of participation	-	-	-	872,000	872,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>872,000</u>	<u>872,000</u>
Total liabilities	<u>49,396</u>	<u>4,735</u>	<u>573,933</u>	<u>877,228</u>	<u>1,505,292</u>
NET POSITION					
Net investment in capital assets	-	-	-	2,273,509	2,273,509
Restricted for:					
Debt service	-	-	-	872,000	872,000
Unrestricted	71,575	137,691	689,270	3,958,588	4,857,124
Total net position	<u>\$ 71,575</u>	<u>\$ 137,691</u>	<u>\$ 689,270</u>	<u>\$ 7,104,097</u>	<u>\$ 8,002,633</u>

Fayette County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Self-Insurance Funds				Total
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	
Operating Revenues:					
Charges for sales and services	\$ 500,000	\$ 415,683	\$ 6,505,796	\$ -	\$ 7,421,479
Miscellaneous revenues	-	-	126,400	-	126,400
Total operating revenues	<u>500,000</u>	<u>415,683</u>	<u>6,632,196</u>	<u>-</u>	<u>7,547,879</u>
Operating Expenses:					
Costs of sales and services	567,489	419,552	5,898,940	-	6,885,981
Administration	6,749	6,178	416,404	-	429,331
Depreciation	-	-	-	733,810	733,810
Total operating expenses	<u>574,238</u>	<u>425,730</u>	<u>6,315,344</u>	<u>733,810</u>	<u>8,049,122</u>
Operating income (loss)	<u>(74,238)</u>	<u>(10,047)</u>	<u>316,852</u>	<u>(733,810)</u>	<u>(501,243)</u>
Nonoperating Revenues (Expenses):					
Interest income	-	-	144	177,329	177,473
Interest expense	-	-	-	(4,714)	(4,714)
Loss on disposal of capital assets	-	-	-	(24,400)	(24,400)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>144</u>	<u>148,215</u>	<u>148,359</u>
Income before contributions and transfers	<u>(74,238)</u>	<u>(10,047)</u>	<u>316,996</u>	<u>(585,595)</u>	<u>(352,884)</u>
Other Financing Sources (Uses)					
Capital contributions	-	-	-	38,696	38,696
Transfers in	-	-	-	557,359	557,359
Change in net position	<u>(74,238)</u>	<u>(10,047)</u>	<u>316,996</u>	<u>10,460</u>	<u>243,171</u>
Total net position - beginning	<u>145,813</u>	<u>147,738</u>	<u>372,274</u>	<u>7,093,637</u>	<u>7,759,462</u>
Total net position - ending	<u>\$ 71,575</u>	<u>\$ 137,691</u>	<u>\$ 689,270</u>	<u>\$ 7,104,097</u>	<u>\$ 8,002,633</u>

Fayette County, Georgia
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Self-Insurance Funds				
	Workers' Compensation	Dental And Vision	Major Medical	Vehicle Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ -	\$ 137,189	\$ 1,589,148	\$ -	\$ 1,726,337
Receipts from interfund services provided	500,000	278,494	4,916,648	-	5,695,142
Payments to suppliers	(604,959)	(429,240)	(5,866,535)	-	(6,900,734)
Net cash provided (used) by operating activities	(104,959)	(13,557)	639,261	-	520,745
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	-	-	-	557,359	557,359
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	-	-	-	(307,313)	(307,313)
Proceeds from sale of capital assets	-	-	-	30,303	30,303
Interest paid on certificates of participation	-	-	-	(4,714)	(4,714)
Net cash used by capital and related financing activities	-	-	-	(281,724)	(281,724)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	-	-	144	177,329	177,473
Purchase of investments	-	-	-	(18,379)	(18,379)
Net cash provided by investing activities	-	-	144	158,950	159,094
Net increase (decrease) in cash and cash equivalents	(104,959)	(13,557)	639,405	434,585	955,474
Cash and cash equivalents at beginning of year	219,180	155,958	623,286	2,103,219	3,101,643
Cash and cash equivalents at end of year	\$ 114,221	\$ 142,401	\$ 1,262,691	\$ 2,537,804	\$ 4,057,117
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (74,238)	\$ (10,047)	\$ 316,852	\$ (733,810)	\$ (501,243)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	\$ -	\$ -	\$ -	\$ 733,810	\$ 733,810
Decrease (increase) in assets -					
Accounts receivable	-	(25)	(512)	-	(537)
Prepaid items	(6,750)	6,178	75,117	-	74,545
Increase (decrease) in liabilities:					
Accounts payable	-	(8)	(100)	-	(108)
Claims payable	(23,971)	(9,655)	247,904	-	214,278
Total adjustments	(30,721)	(3,510)	322,409	733,810	1,021,988
Net cash provided (used) by operating activities	\$ (104,959)	\$ (13,557)	\$ 639,261	\$ -	\$ 520,745



Fayette
COUNTY

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FIDUCIARY FUNDS

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014

	<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	\$ 961,933	\$ 153,743,152	\$ 154,051,794	\$ 653,291
Taxes receivable	4,126,080	121,777,781	121,998,190	3,905,671
Total assets	<u>\$ 5,088,013</u>	<u>\$ 275,520,933</u>	<u>\$ 276,049,984</u>	<u>\$ 4,558,962</u>
Liabilities:				
Due to others	\$ 4,908,357	\$ 275,319,417	\$ 275,918,535	\$ 4,309,239
Tax protest / bankruptcy / tax sale	179,656	201,516	131,449	249,723
Total liabilities	<u>\$ 5,088,013</u>	<u>\$ 275,520,933</u>	<u>\$ 276,049,984</u>	<u>\$ 4,558,962</u>
SHERIFF'S OFFICE				
Assets -				
Cash and cash equivalents	<u>\$ 120,445</u>	<u>\$ 738,158</u>	<u>\$ 701,499</u>	<u>\$ 157,104</u>
Liabilities -				
Due to others	<u>\$ 120,445</u>	<u>\$ 738,158</u>	<u>\$ 701,499</u>	<u>\$ 157,104</u>
SUPERIOR COURT				
Assets -				
Cash and cash equivalents	<u>\$ 847,033</u>	<u>\$ 4,746,503</u>	<u>\$ 4,743,118</u>	<u>\$ 850,418</u>
Liabilities -				
Due to others	<u>\$ 847,033</u>	<u>\$ 4,746,503</u>	<u>\$ 4,743,118</u>	<u>\$ 850,418</u>
STATE COURT				
Assets -				
Cash and cash equivalents	<u>\$ 387,897</u>	<u>\$ 1,956,507</u>	<u>\$ 1,836,605</u>	<u>\$ 507,799</u>
Liabilities -				
Due to others	<u>\$ 387,897</u>	<u>\$ 1,956,507</u>	<u>\$ 1,836,605</u>	<u>\$ 507,799</u>

Fayette County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End Of Year</u>
MAGISTRATE COURT				
Assets -				
Cash and cash equivalents	\$ 64,339	\$ 589,605	\$ 556,579	\$ 97,365
Liabilities -				
Due to others	\$ 64,339	\$ 589,605	\$ 556,579	\$ 97,365
JUVENILE COURT				
Assets -				
Cash and cash equivalents	\$ 8,346	\$ 89,943	\$ 92,474	\$ 5,815
Liabilities -				
Due to others	\$ 8,346	\$ 89,943	\$ 92,474	\$ 5,815
PROBATE COURT				
Assets -				
Cash and cash equivalents	\$ 33,109	\$ 533,370	\$ 527,016	\$ 39,463
Liabilities -				
Due to others	\$ 33,109	\$ 533,370	\$ 527,016	\$ 39,463
TOTAL - ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 2,423,102	\$ 162,397,238	\$ 162,509,085	\$ 2,311,255
Taxes receivable	4,126,080	121,777,781	121,998,190	3,905,671
Total assets	<u>\$ 6,549,182</u>	<u>\$ 284,175,019</u>	<u>\$ 284,507,275</u>	<u>\$ 6,216,926</u>
Liabilities:				
Due to others	\$ 6,369,526	\$ 283,973,503	\$ 284,375,826	\$ 5,967,203
Tax protest / bankruptcy / tax sale	179,656	201,516	131,449	249,723
Total liabilities	<u>\$ 6,549,182</u>	<u>\$ 284,175,019</u>	<u>\$ 284,507,275</u>	<u>\$ 6,216,926</u>



Fayette
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STATISTICAL SECTION

**Fayette County, Georgia
Statistical Section**

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

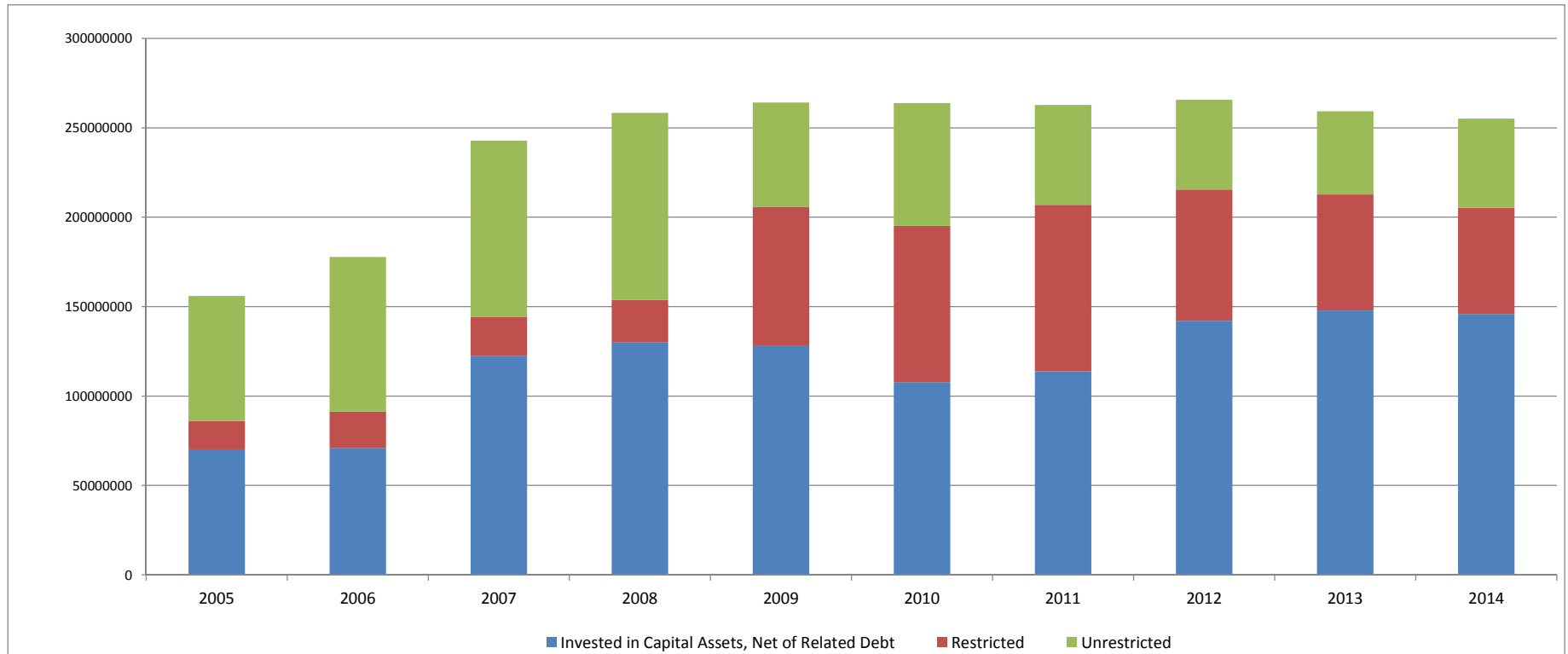
<u>Section Contents</u>	<u>Page</u>
<i>Financial Trends:</i> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	125
<i>Revenue Capacity:</i> These schedules contain information to help the reader assess 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.	131
<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.	135
<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.	139
<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.	141

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 12,626,621	\$ 11,881,854	\$ 61,331,911	\$ 66,118,115	\$ 63,748,577	\$ 58,397,470	\$ 70,008,446	\$ 80,352,869	\$ 82,924,362	\$ 84,415,940
Restricted	4,643,916	9,369,988	9,206,066	11,656,300	71,244,000	74,438,174	78,946,616	59,847,388	50,612,241	45,851,519
Unrestricted	66,600,723	82,196,989	94,252,175	101,662,007	49,992,711	51,871,452	34,001,574	46,009,682	43,150,112	43,438,857
Total Governmental Activities Net Position	\$ 83,871,260	\$ 103,448,831	\$ 164,790,152	\$ 179,436,422	\$ 184,985,288	\$ 184,707,096	\$ 182,956,636	\$ 186,209,939	\$ 176,686,715	\$ 173,706,316
Business-Type Activities										
Net Investment in Capital Assets	\$ 57,616,988	\$ 58,928,256	\$ 61,128,008	\$ 64,042,796	\$ 64,569,214	\$ 49,359,571	\$ 43,836,827	\$ 61,628,316	\$ 62,729,861	\$ 61,521,377
Restricted	11,095,278	11,073,367	12,661,526	12,010,175	6,284,372	12,918,243	14,127,960	13,655,049	14,380,299	14,375,769
Unrestricted	3,329,148	4,355,880	4,172,974	2,872,031	8,304,049	16,880,892	21,845,727	4,165,159	3,248,845	5,178,022
Total Business-Type Activities Net Position	\$ 72,041,414	\$ 74,357,503	\$ 77,962,508	\$ 78,925,002	\$ 79,157,635	\$ 79,158,706	\$ 79,810,514	\$ 79,448,524	\$ 80,359,005	\$ 81,075,168
Primary Government										
Net Investment in Capital Assets	\$ 70,243,609	\$ 70,810,110	\$ 122,459,919	\$ 130,160,911	\$ 128,317,791	\$ 107,757,041	\$ 113,845,273	\$ 141,981,185	\$ 145,654,223	\$ 145,937,317
Restricted	15,739,194	20,443,355	21,867,592	23,666,475	77,528,372	87,356,417	93,074,576	73,502,437	64,992,540	60,227,288
Unrestricted	69,929,871	86,552,869	98,425,149	104,534,038	58,296,760	68,752,344	55,847,301	50,174,841	46,398,957	48,616,879
Total Primary Government Net Position	\$ 155,912,674	\$ 177,806,334	\$ 242,752,660	\$ 258,361,424	\$ 264,142,923	\$ 263,865,802	\$ 262,767,150	\$ 265,658,463	\$ 257,045,720	\$ 254,781,484

Total Primary Government Net Position



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

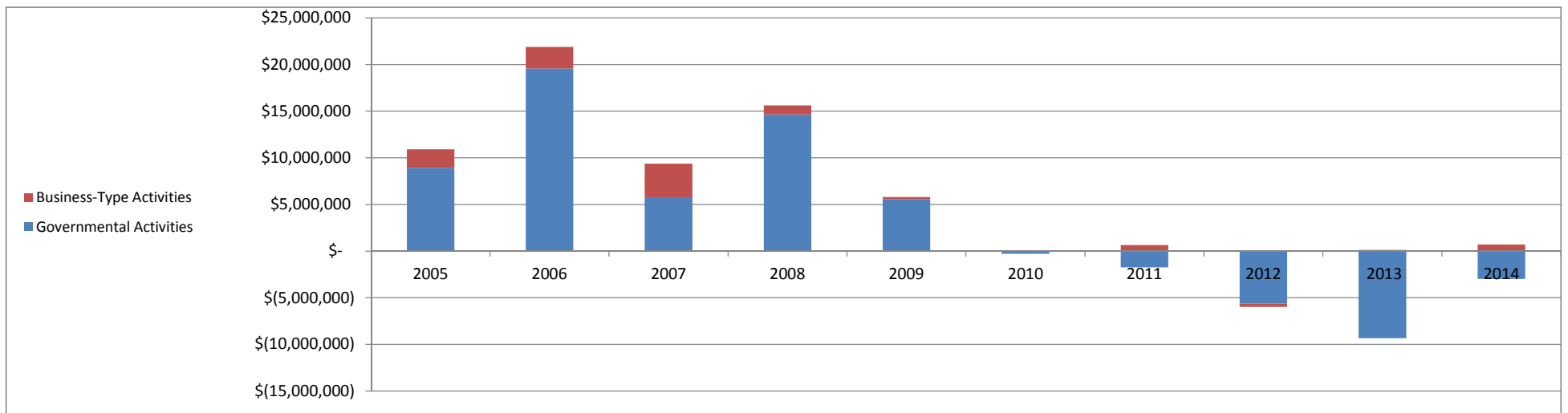
Expenses:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:										
General Government	\$ 8,734,408	\$ 13,589,479	\$ 13,217,872	\$ 19,913,322	\$ 15,816,215	\$ 17,477,463	\$ 13,911,254	\$ 13,747,299	\$ 8,231,193	\$ 8,840,389
Judicial System	4,336,761	4,677,929	5,401,526	5,650,814	5,800,998	5,607,459	5,150,662	5,570,703	6,530,318	5,974,701
Public Safety	25,422,795	29,331,567	31,310,184	31,978,900	34,914,755	33,801,423	34,914,150	35,486,701	36,652,065	35,118,613
Public Works	4,611,615	5,433,833	15,643,667	7,673,140	13,866,560	13,183,402	10,040,669	5,109,741	10,336,908	7,921,320
Health and Welfare	819,266	689,879	705,001	719,934	726,382	695,438	761,169	765,345	759,250	826,969
Culture and Recreation	1,774,572	1,871,303	7,418,659	1,058,911	2,208,201	2,869,310	2,511,883	2,563,090	2,578,096	3,119,068
Housing and Development	1,435,272	1,460,636	1,555,478	1,392,864	1,418,307	1,260,287	1,277,307	1,408,138	1,259,508	1,223,384
Interest on Long-Term Debt	3,152,414	3,156,175	3,043,276	3,375,326	2,717,850	2,785,637	2,182,282	2,102,925	1,791,865	1,709,636
Total Governmental Activities Expenses	\$ 50,287,103	\$ 60,210,801	\$ 78,295,663	\$ 71,763,211	\$ 77,469,268	\$ 77,680,419	\$ 70,749,376	\$ 66,753,942	\$ 68,139,203	\$ 64,734,080
Business-Type Activities										
Water System	\$ 12,411,434	\$ 12,394,341	\$ 13,036,293	\$ 12,635,303	\$ 12,890,913	\$ 13,083,162	\$ 13,336,098	\$ 14,432,774	\$ 13,856,941	\$ 14,604,741
Solid Waste	149,197	121,420	138,082	160,688	165,620	162,341	163,806	333,225	249,551	348,225
Stormwater Utility	-	-	-	-	-	-	-	187,116	393,644	89,659
Total Business-Type Activities	\$ 12,560,631	\$ 12,515,761	\$ 13,174,375	\$ 12,795,991	\$ 13,056,533	\$ 13,245,503	\$ 13,499,904	\$ 14,953,115	\$ 14,500,136	\$ 15,042,625
Total Primary Government Expenses	\$ 62,847,734	\$ 72,726,562	\$ 91,470,038	\$ 84,559,202	\$ 90,525,801	\$ 90,925,922	\$ 84,249,280	\$ 81,707,057	\$ 82,639,339	\$ 79,776,705
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,296,466	\$ 521,225	\$ 940,273	\$ 1,424,473	\$ 1,090,531	\$ 1,614,489	\$ 4,185,268	\$ 423,656	\$ 1,382,169	\$ 2,833,621
Judicial System	2,584,575	2,597,880	2,362,746	2,401,949	2,607,184	2,474,750	2,695,620	2,442,258	1,090,187	1,241,212
Public Safety	4,162,141	5,267,301	5,233,571	4,352,712	7,222,617	5,139,419	6,693,329	4,642,449	6,372,134	6,514,688
Public Works	413,361	438,362	10,076	8,001	5,928	7,170	7,175	7,576	-	1,245
Culture and Recreation	218,950	189,840	186,265	222,459	211,795	240,786	278,526	240,857	57,774	55,422
Housing and Development	582,363	665,972	672,849	60,755	20,910	10,861	210,985	196,713	9,250	8,022
Operating Grants and Contributions	85,068	808,590	5,600	20,582	23,148	31,935	27,767	947,402	287,451	486,585
Capital Grants and Contributions	-	-	-	-	-	-	204,367	598,070	1,181,470	1,951,495
Total Governmental Activities Program Revenues	\$ 9,342,924	\$ 10,489,170	\$ 9,411,380	\$ 8,490,931	\$ 11,182,113	\$ 9,519,410	\$ 14,303,037	\$ 9,498,981	\$ 10,380,435	\$ 13,092,290
Business-Type Activities:										
Charges for Services:										
Water System	\$ 11,562,729	\$ 12,430,665	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,296
Solid Waste	128,705	141,413	361,200	85,380	109,122	120,708	140,382	132,095	115,337	80,878
Stormwater Utility	-	-	-	-	-	-	-	300,333	148,431	759,663
Capital Grants and Contributions	2,729,684	2,262,050	2,708,273	1,294,879	1,096,917	418,363	379,232	116,920	332,659	776,055
Total Business-Type Activities Program Revenues	\$ 14,421,118	\$ 14,834,128	\$ 16,612,462	\$ 13,665,787	\$ 13,697,346	\$ 13,883,325	\$ 14,808,681	\$ 15,120,214	\$ 14,586,316	\$ 15,291,892
Total Primary Government Program Revenues	\$ 23,764,042	\$ 25,323,298	\$ 26,023,842	\$ 22,156,718	\$ 24,879,459	\$ 23,402,735	\$ 29,111,718	\$ 24,619,195	\$ 24,966,751	\$ 28,384,182
Net (Expenses) Revenues										
Governmental Activities	\$ (40,944,179)	\$ (49,721,631)	\$ (68,884,283)	\$ (63,272,280)	\$ (66,287,155)	\$ (68,161,009)	\$ (56,446,339)	\$ (57,254,961)	\$ (57,758,768)	\$ (51,641,790)
Business-Type Activities	1,860,487	2,318,367	3,438,087	869,796	640,813	637,822	1,308,777	167,099	86,180	249,267
Total Primary Government Net Expenses	\$ (39,083,692)	\$ (47,403,264)	\$ (65,446,196)	\$ (62,402,484)	\$ (65,646,342)	\$ (67,523,187)	\$ (55,137,562)	\$ (57,087,862)	\$ (57,672,588)	\$ (51,392,523)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 30,178,341	\$ 32,103,630	\$ 33,238,968	\$ 37,601,739	\$ 37,627,125	\$ 39,052,755	\$ 37,981,404	\$ 36,089,255	\$ 34,853,932	\$ 34,950,569
Sales Taxes	9,092,061	10,296,451	10,654,218	10,313,833	8,990,109	9,635,056	9,572,548	10,011,105	9,968,049	9,998,908
Other Taxes	2,495,302	2,874,588	2,966,242	960,291	1,041,225	1,224,064	1,311,971	3,247,599	3,205,096	3,228,724
Special Purpose Local Option Sales Taxes	3,242,853	16,676,100	17,711,729	20,462,347	15,103,230	12,254,894	160,567	-	-	-
Intergovernmental	1,324,636	2,880,454	3,146,118	2,883,703	5,957,783	3,654,944	1,580,095	-	-	-
Gain on Sale of Capital Assets	86,466	20,511	61,996	132,620	59,595	61,790	16,329	-	-	-
Unrestricted Investment Earnings	1,916,256	3,194,159	5,186,857	4,149,265	1,424,672	764,894	391,771	905,075	97,882	442,146
Miscellaneous	982,332	663,405	1,077,945	817,812	1,004,306	520,363	2,975,137	834,182	287,887	337,545
Transfers	557,420	589,904	607,179	596,940	627,976	714,057	706,057	539,650	-	(296,501)
Total Governmental Activities	\$ 49,875,667	\$ 69,299,202	\$ 74,651,252	\$ 77,918,550	\$ 71,836,021	\$ 67,882,817	\$ 54,695,879	\$ 51,626,866	\$ 48,412,846	\$ 48,661,391
Business-Type Activities:										
Gain on Sale of Capital Assets	\$ 700	\$ 12,582	\$ -	\$ 6,192	\$ 2,605	\$ 3,707	\$ -	\$ -	\$ -	\$ -
Unrestricted Investment Earnings	253,588	550,275	747,261	572,483	130,550	30,456	5,552	10,561	15,089	10,489
Miscellaneous	428,093	24,769	26,836	110,963	86,641	43,144	43,536	-	20,868	159,906
Transfers	(557,420)	(589,904)	(607,179)	(596,940)	(627,976)	(714,057)	(706,057)	(539,650)	-	296,501
Total Business-Type Activities	\$ 124,961	\$ (2,278)	\$ 166,918	\$ 92,698	\$ (408,180)	\$ (636,750)	\$ (656,969)	\$ (529,089)	\$ 35,957	\$ 466,896
Total Primary Government	\$ 50,000,628	\$ 69,296,924	\$ 74,818,170	\$ 78,011,248	\$ 71,427,841	\$ 67,246,067	\$ 54,038,910	\$ 51,097,777	\$ 48,448,803	\$ 49,128,287
Changes in Net Position										
Governmental Activities	\$ 8,931,488	\$ 19,577,571	\$ 5,766,969	\$ 14,646,270	\$ 5,548,866	\$ (278,192)	\$ (1,750,460)	\$ (5,628,095)	\$ (9,345,922)	\$ (2,980,399)
Business-Type Activities	1,985,448	2,316,089	3,605,005	962,494	232,633	1,072	651,808	(361,990)	122,137	716,163
Total Primary Government	\$ 10,916,936	\$ 21,893,660	\$ 9,371,974	\$ 15,608,764	\$ 5,781,499	\$ (277,120)	\$ (1,098,652)	\$ (5,990,085)	\$ (9,223,785)	\$ (2,264,236)
		(1)				(2)	(2)	(2)	(2)	(2)

Note (1): Net Position increased significantly for FY 2006 due to it being the first year of collections for the Special Purpose Local Option Sales Tax (SPLOST) for road construction projects.

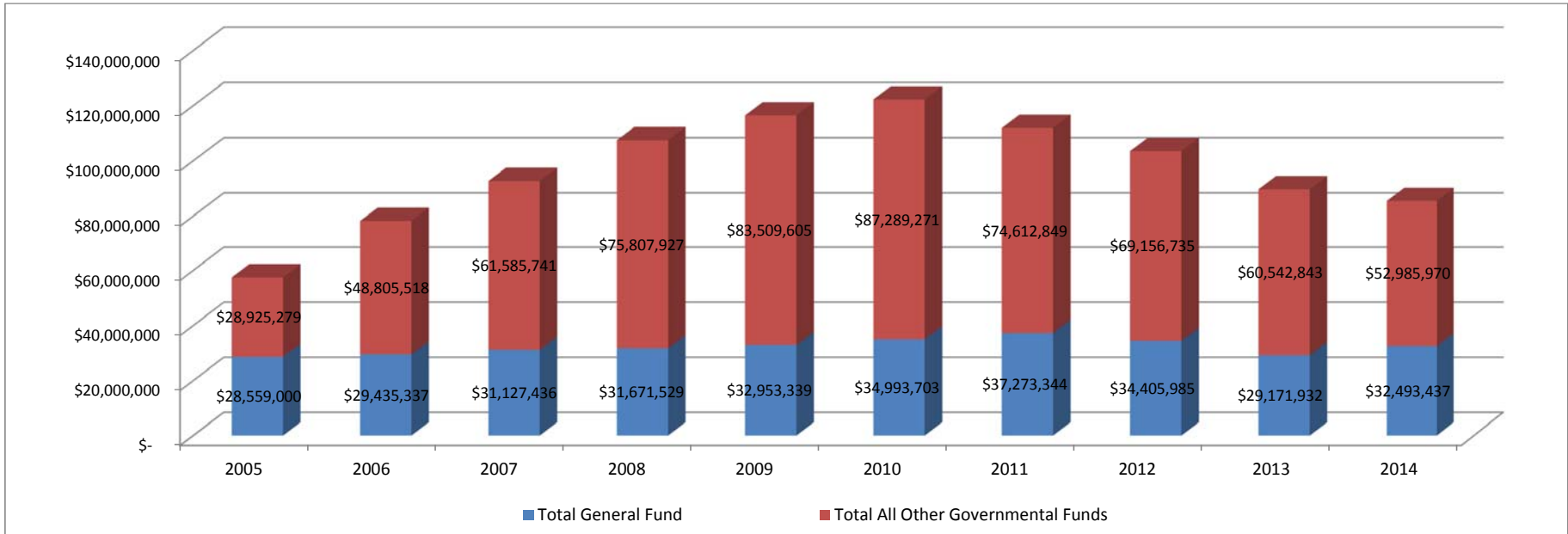
Note (2): The amount of the Change in Net Position for these fiscal years was impacted by the recession that began in 2008.

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Nonspendable	\$ 163,353	\$ 122,625	\$ 377,156	\$ 88,642	\$ 987,514	\$ 205,194	\$ 260,351	\$ 246,522	\$ 148,647	\$ 202,728
Committed	13,935,199	14,402,177	15,385,577	14,057,471	13,661,922	13,365,551	13,633,544	11,300,171	10,971,735	10,786,253
Assigned	12,676,231	12,522,153	15,364,703	17,525,416	13,045,947	13,974,440	11,175,508	16,817,110	11,158,549	12,806,455
Unassigned	1,784,217	2,388,382	-	-	5,257,956	7,448,518	12,203,941	6,042,182	6,893,001	8,698,001
Total General Fund	\$ 28,559,000	\$ 29,435,337	\$ 31,127,436	\$ 31,671,529	\$ 32,953,339	\$ 34,993,703	\$ 37,273,344	\$ 34,405,985	\$ 29,171,932	\$ 32,493,437
All Other Governmental Funds:										
Nonspendable	\$ 6,619	\$ -	\$ -	\$ 704	\$ 48,251	\$ 55,465	\$ 33,326	\$ 27,868	\$ -	\$ -
Restricted	4,806,227	21,316,199	37,088,062	51,116,478	58,828,786	63,055,225	65,576,980	59,062,139	49,590,241	44,524,334
Committed	1,660,429	1,612,077	10,734	2,363,877	2,651,440	2,618,608	9,002,543	10,066,728	10,952,602	8,461,636
Assigned	22,452,004	25,877,242	24,486,945	22,326,868	21,981,128	21,559,973	-	-	-	-
Total All Other Governmental Funds	\$ 28,925,279	\$ 48,805,518	\$ 61,585,741	\$ 75,807,927	\$ 83,509,605	\$ 87,289,271	\$ 74,612,849	\$ 69,156,735	\$ 60,542,843	\$ 52,985,970
Total Governmental Funds	\$ 57,484,279	\$ 78,240,855	\$ 92,713,177	\$ 107,479,456	\$ 116,462,944	\$ 122,282,974	\$ 111,886,193	\$ 103,562,720	\$ 89,714,775	\$ 85,479,407



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

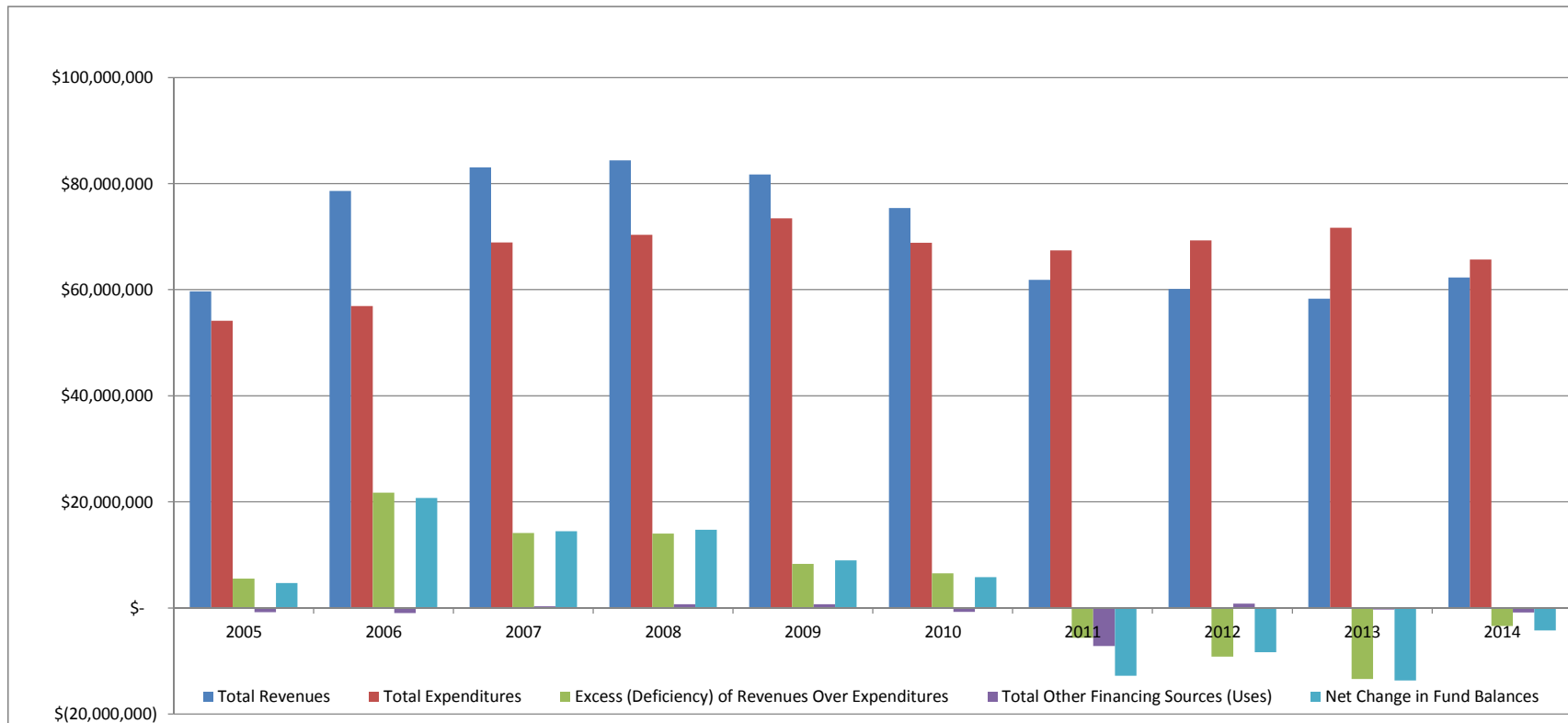
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$ 45,085,843	\$ 62,441,421	\$ 65,113,592	\$ 68,867,738	\$ 62,761,689	\$ 62,166,769	\$ 48,092,665	\$ 49,791,543	\$ 47,566,643	\$ 48,749,712
Licenses and Permits	745,967	841,083	856,102	698,374	414,314	424,201	451,172	215,512	775,962	1,056,793
Intergovernmental	4,677,370	2,880,454	3,398,318	2,883,703	5,957,783	3,654,944	1,580,095	1,409,544	1,400,559	2,145,554
Charges for Services	4,727,117	5,070,445	5,192,711	4,729,453	5,134,297	5,142,649	5,570,018	5,488,362	5,849,162	7,366,996
Fines and Forfeitures	2,193,837	3,239,194	3,124,534	2,757,345	5,293,648	3,142,726	4,461,473	2,273,165	2,284,648	2,225,607
Investment Income	1,222,210	2,697,022	4,452,242	3,688,800	1,236,042	334,924	510,585	468,787	115,546	414,807
Contributions	39,875	808,590	896,329	20,582	23,148	520,363	1,138,077	17,715	13,275	108,510
Miscellaneous	990,392	658,057	5,600	733,744	912,629	31,935	27,767	499,541	326,369	247,779
Total Revenues	\$ 59,682,611	\$ 78,636,266	\$ 83,039,428	\$ 84,379,739	\$ 81,733,550	\$ 75,418,511	\$ 61,831,852	\$ 60,164,169	\$ 58,332,164	\$ 62,315,758
Expenditures:										
General Government	\$ 7,754,982	\$ 7,942,522	\$ 8,037,744	\$ 8,165,598	\$ 8,424,786	\$ 7,689,333	\$ 8,038,927	\$ 8,624,978	\$ 7,957,441	\$ 7,906,318
Judicial System	4,290,835	4,619,714	5,370,540	5,674,771	5,808,638	5,552,734	5,632,112	5,483,839	5,761,405	5,387,294
Public Safety	24,832,261	26,516,676	29,628,121	30,946,091	32,824,740	31,436,915	32,862,460	35,178,886	35,707,478	32,705,193
Public Works	4,599,815	5,187,982	4,781,461	4,657,639	4,000,116	3,631,377	5,356,961	4,648,297	4,117,385	4,318,927
Health and Welfare	819,266	689,879	705,001	719,934	726,382	695,438	761,169	759,057	754,060	822,881
Culture and Recreation	1,551,419	1,768,694	1,902,937	2,070,906	2,146,860	1,980,568	1,917,872	2,019,104	2,010,788	1,991,122
Housing and Development	1,442,581	1,438,092	1,552,728	1,429,689	1,405,259	1,242,377	1,268,371	1,317,126	1,278,862	1,196,085
Capital Outlay	4,025,852	3,903,023	12,090,140	8,654,396	10,278,522	9,622,634	9,399,329	7,461,104	8,152,911	7,566,894
Intergovernmental	-	-	-	3,174,938	2,975,587	2,183,858	23,752	-	2,133,599	976,465
Debt Service:										
Principal Retirement	1,758,656	1,849,800	1,937,428	2,031,612	2,132,423	2,239,941	864,247	1,855,425	2,108,566	1,220,000
Interest Expense	3,074,266	2,989,997	2,899,990	2,804,831	2,704,186	2,597,403	1,306,503	1,968,539	1,714,752	1,612,406
Paying Agent Fees	1,175	2,225	1,671	1,546	1,436	1,364	450	-	-	-
Total Expenditures	\$ 54,151,108	\$ 56,908,604	\$ 68,907,761	\$ 70,331,951	\$ 73,428,935	\$ 68,873,942	\$ 67,432,153	\$ 69,316,355	\$ 71,697,247	\$ 65,703,585
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,531,503	\$ 21,727,662	\$ 14,131,667	\$ 14,047,788	\$ 8,304,615	\$ 6,544,569	\$ (5,600,301)	\$ (9,152,186)	\$ (13,365,083)	\$ (3,387,827)
Other Financing Sources (Uses):										
Proceeds from Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	5,036,640	6,887,887	6,873,563	11,857,799	7,989,541	5,872,157	4,781,077	5,108,105	3,239,917	351,900
Transfers Out	(5,945,258)	(7,879,484)	(6,594,904)	(11,271,927)	(7,370,264)	(6,658,486)	(4,148,943)	(4,568,455)	(3,592,117)	(1,205,760)
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	86,466	20,511	61,996	132,620	59,595	61,790	16,329	289,063	32,353	6,319
Total Other Financing Sources (Uses)	\$ (822,152)	\$ (971,086)	\$ 340,655	\$ 718,492	\$ 678,872	\$ (724,539)	\$ (7,179,225)	\$ 828,713	\$ (319,847)	\$ (847,541)
Net Change in Fund Balances	\$ 4,709,351	\$ 20,756,576	\$ 14,472,322	\$ 14,766,280	\$ 8,983,487	\$ 5,820,030	\$ (12,779,526)	\$ (8,323,473)	\$ (13,684,930)	\$ (4,235,368)
Debt Service as a Percentage of Noncapital Expenditures	10.7%	10.1%	9.3%	9.0%	8.7%	9.3%	3.9%	6.6%	6.6%	5.0%

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Revenues	\$ 59,682,611	\$ 78,636,266	\$ 83,039,428	\$ 84,379,739	\$ 81,733,550	\$ 75,418,511	\$ 61,831,852	\$ 60,164,169	\$ 58,332,164	\$ 62,315,758
Total Expenditures	<u>54,151,108</u>	<u>56,908,604</u>	<u>68,907,761</u>	<u>70,331,951</u>	<u>73,428,935</u>	<u>68,873,942</u>	<u>67,432,153</u>	<u>69,316,355</u>	<u>71,697,247</u>	<u>65,703,585</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,531,503	\$ 21,727,662	\$ 14,131,667	\$ 14,047,788	\$ 8,304,615	\$ 6,544,569	\$ (5,600,301)	\$ (9,152,186)	\$ (13,365,083)	\$ (3,387,827)
Total Other Financing Sources (Uses)	<u>(822,152)</u>	<u>(971,086)</u>	<u>340,655</u>	<u>718,492</u>	<u>678,872</u>	<u>(724,539)</u>	<u>(7,179,225)</u>	<u>828,713</u>	<u>(319,847)</u>	<u>(847,541)</u>
Net Change in Fund Balances	<u>\$ 4,709,351</u>	<u>\$ 20,756,576</u>	<u>\$ 14,472,322</u>	<u>\$ 14,766,280</u>	<u>\$ 8,983,487</u>	<u>\$ 5,820,030</u>	<u>\$ (12,779,526)</u>	<u>\$ (8,323,473)</u>	<u>\$ (13,684,930)</u>	<u>\$ (4,235,368)</u>



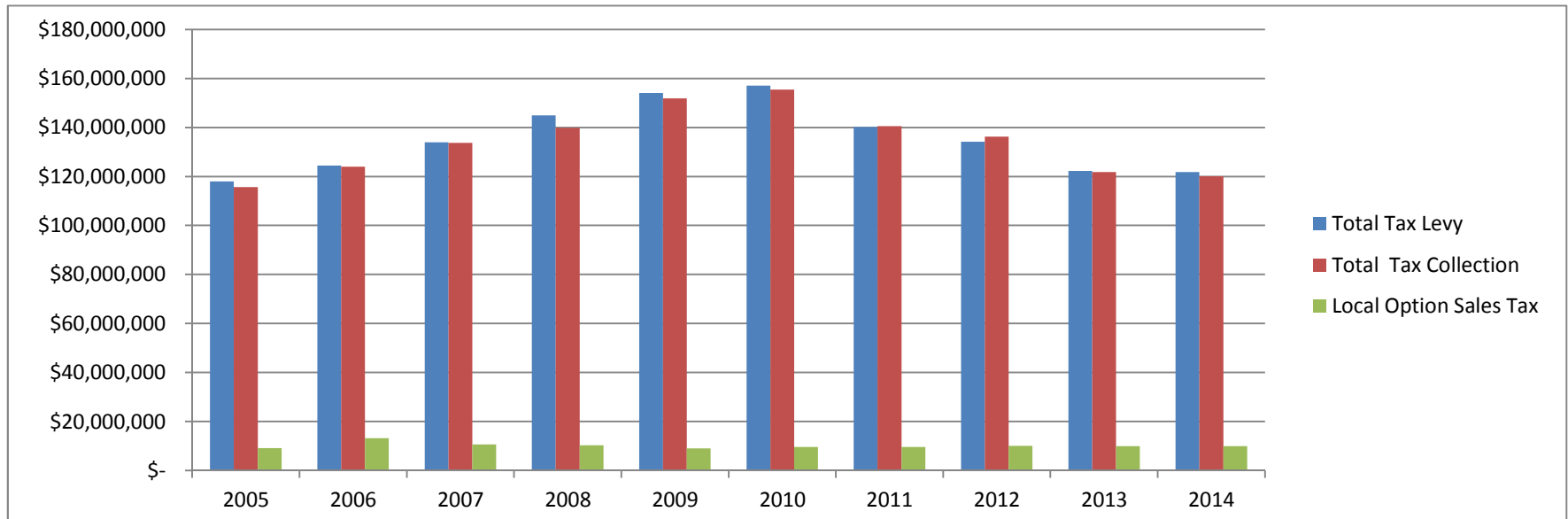
Note: The large increase in Net Position for FY 2006 and large decrease in FY 2011 are primarily the result of the Special Purpose Local Option Sales collections and expenditures.

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

Fiscal Year	Total Tax Levy	Current Year Tax Collections	Percentage of Levy Collected	Collection of Prior Years Property Taxes	Total Tax Collection	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy	Local Option Sales Tax Proceeds (1)
2005	\$ 118,001,735	\$ 114,100,400	96.69%	\$ 1,557,474	\$ 115,657,874	98.01%	\$ 3,629,115	3.08%	\$ 9,092,061
2006	124,459,002	121,851,632	97.91%	2,131,166	123,982,798	99.62%	3,727,920	3.00%	13,155,414
2007	133,958,330	131,657,606	98.28%	2,016,370	133,673,976	99.79%	3,813,117	2.85%	10,654,218
2008	144,974,057	138,257,418	95.37%	1,568,262	139,825,680	96.45%	3,527,833	2.43%	10,313,833
2009	154,107,697	149,091,541	96.75%	2,804,678	151,896,219	98.56%	5,131,263	3.33%	8,990,109
2010	157,080,795	151,371,828	96.37%	4,148,962	155,520,790	99.01%	6,005,110	3.82%	9,635,056
2011	140,148,922	134,663,746	96.09%	5,881,524	140,545,271	100.28%	1,926,514	1.37%	9,572,548
2012	134,178,334	131,714,621	98.16%	4,566,560	136,281,181	101.57%	1,706,442	1.27%	10,011,105
2013	122,284,367	119,310,658	97.57%	2,536,811	121,847,469	99.64%	4,140,486	3.39%	9,968,049
2014	121,777,781	117,737,859	96.68%	2,368,601	120,106,460	98.63%	1,542,230	1.27%	9,936,256

(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) Outstanding Delinquent Taxes are reported on levy year from FY 2014 forward.



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				
2005	\$ 3,714,393	\$ 9,285,983	\$ 667,973	\$ 1,669,933	\$ 64,305	\$ 160,762	\$ 4,446,671	\$ 11,116,678	\$ 236,660	\$ 4,210,011	31.58	40.00%
2006	4,139,511	10,348,778	322,690	806,725	64,757	161,893	4,526,958	11,317,395	190,619	4,336,339	30.88	40.00%
2007	4,452,241	11,130,603	334,573	836,433	64,713	161,783	4,851,527	12,128,819	216,665	4,634,862	30.19	40.00%
2008	4,746,452	12,699,119	332,100	891,980	70,522	176,305	5,149,074	13,767,403	221,878	4,927,196	29.83	40.00%
2009	4,886,730	12,216,825	350,357	875,893	67,292	168,230	5,304,379	13,260,948	222,280	5,082,099	32.10	40.00%
2010	4,919,137	12,297,843	353,933	884,833	71,407	178,518	5,344,477	13,361,193	290,048	5,054,429	31.61	40.00%
2011	4,548,164	11,370,410	336,972	842,432	73,324	183,312	4,958,460	12,396,154	370,429	4,588,031	29.84	40.00%
2012	4,347,689	10,869,222	333,903	834,759	72,840	182,101	4,754,432	11,886,082	371,400	4,383,032	30.66	40.00%
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%

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.

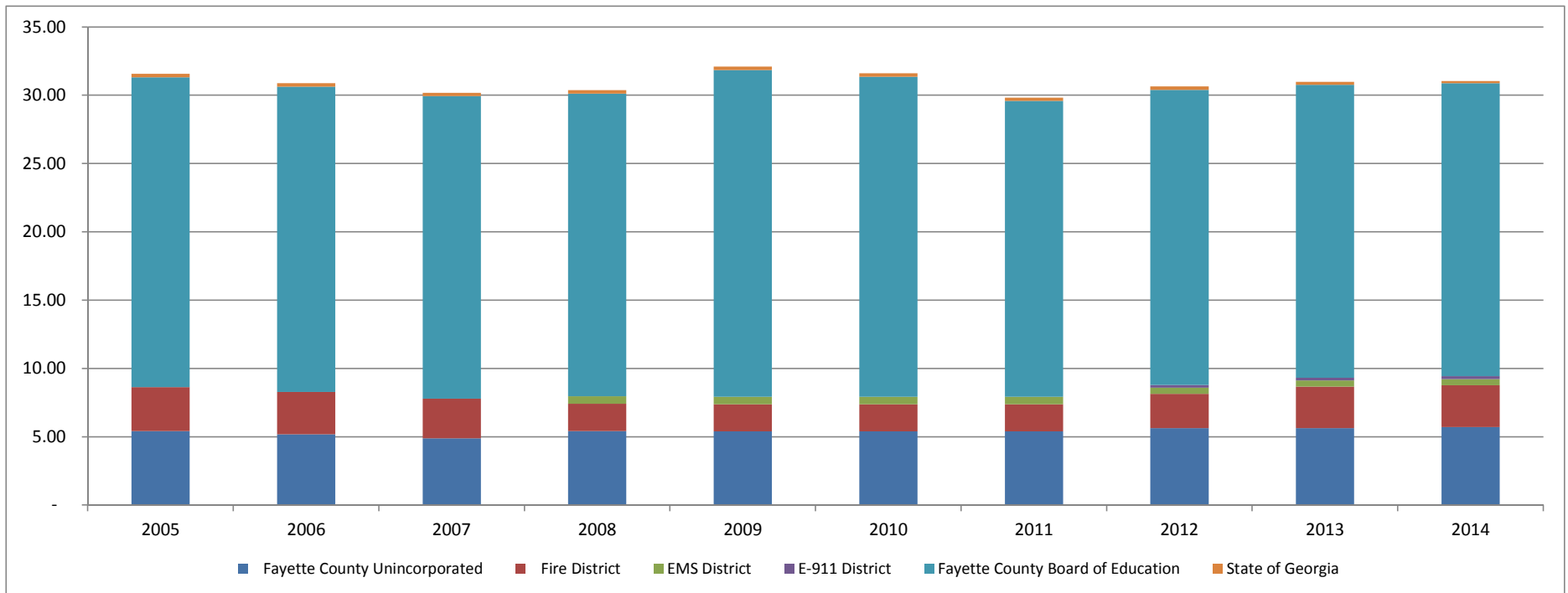
Assessed Value Information



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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary Government:										
Fayette County Unincorporated	5.42	5.19	4.89	5.43	5.40	5.40	5.40	5.65	5.65	5.71
Fire District	3.23	3.09	2.91	2.00	1.99	1.99	1.99	2.50	3.03	3.07
Emergency Medical Services (EMS) District	-	-	-	0.55	0.55	0.55	0.55	0.45	0.45	0.46
E-911 Communications District	-	-	-	-	-	-	-	0.21	0.21	0.21
Total Primary Government	8.65	8.28	7.79	7.98	7.94	7.94	7.94	8.81	9.33	9.45
Fayette County Board of Education	22.68	22.35	22.15	22.15	23.92	23.42	21.65	21.60	21.45	21.45
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.20	0.15
Total	31.58	30.88	30.19	30.38	32.11	31.61	29.84	30.66	30.98	31.05

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.



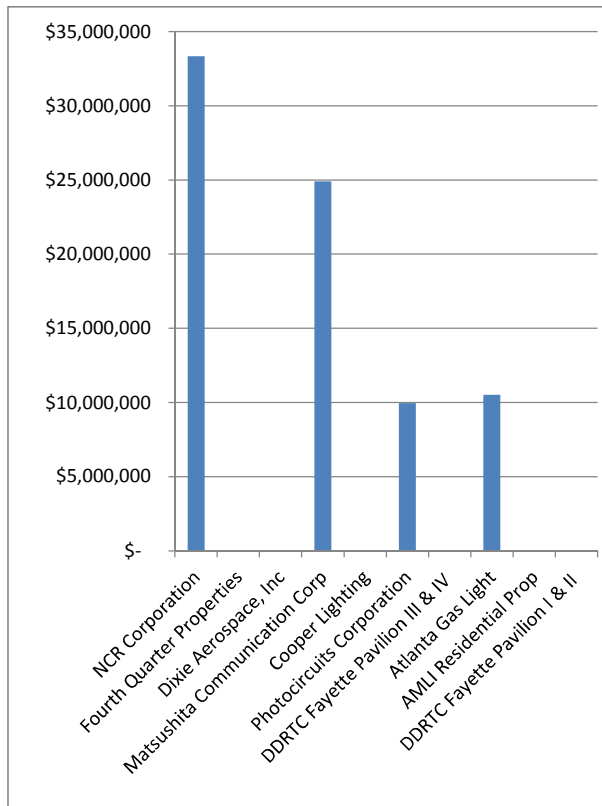
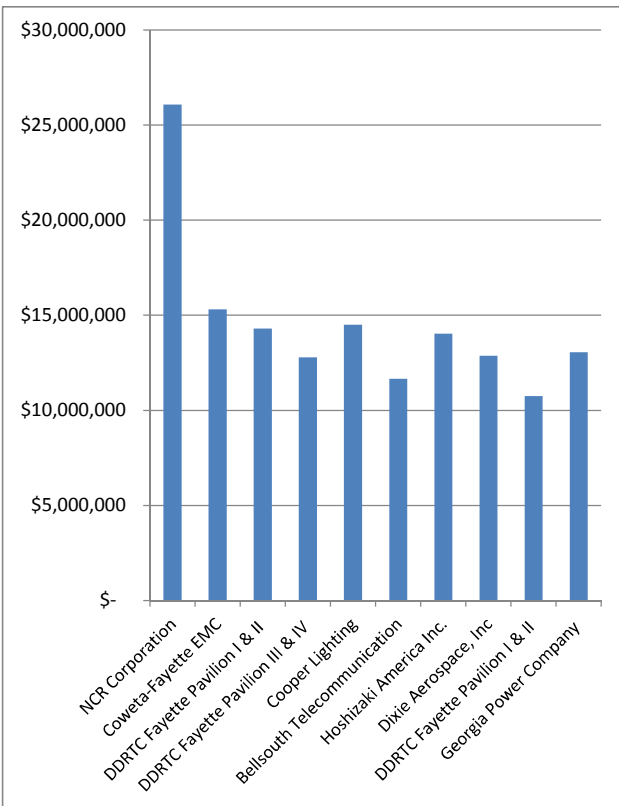
**Fayette County, Georgia
Principal Taxpayers
Current Fiscal Year and Nine Years Ago**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
NCR Corporation	\$ 26,077,793	1	0.61%	\$ 33,331,600	1	0.75%
Coweta-Fayette EMC	15,312,706	2	0.36%	19,357,065	4	0.44%
Cooper Lighting	14,499,882	3	0.34%	-	-	0.00%
(1) DDRTC Fayette Pavilion I & II	14,297,472	4	0.33%	-	-	0.00%
Hoshizaki America Inc.	14,026,188	5	0.33%	10,787,393	7	0.24%
Georgia Power Company	13,051,915	6	0.30%	-	-	0.00%
Dixie Aerospace, Inc	12,875,541	7	0.30%	-	-	0.00%
(1) DDRTC Fayette Pavilion III & IV	12,794,056	8	0.30%	-	-	0.00%
Bellsouth Telecommunication	11,667,339	9	0.27%	11,384,061	6	0.26%
(1) DDRTC Fayette Pavilion I & II	10,743,628	10	0.25%	-	-	0.00%
(1) Fourth Quarter Properties	-	-	N/A	-	-	0.00%
Matsushita Communication Corp	-	-	N/A	24,914,346	3	0.56%
(2) Photocircuits Corporation	-	-	N/A	9,952,370	9	0.22%
Atlanta Gas Light	-	-	N/A	10,512,927	8	0.24%
Inland Southeast Fayette I & II	-	-	N/A	29,854,960	2	0.67%
Inland Southeast Fayette III	-	-	N/A	15,491,504	5	0.35%
Summit Properties	-	-	N/A	9,865,200	10	0.22%
AMLI Residential Prop	-	-	N/A	-	-	0.00%
Sub-Total Top Ten Taxpayers	\$ 145,346,520		3.40%	\$ 175,451,426		3.95%
Total Other Taxpayers	4,135,743,941		96.60%	4,271,219,558		96.05%
Total Assessed Value - All Taxpayers	\$ 4,281,090,461		100.00%	\$ 4,446,670,984		100.00%

Source: Fayette County Tax Commissioner

Note (1): DDRTC Fayette Pavilion is successor owner of property previously in the name of Fourth Quarter Properties

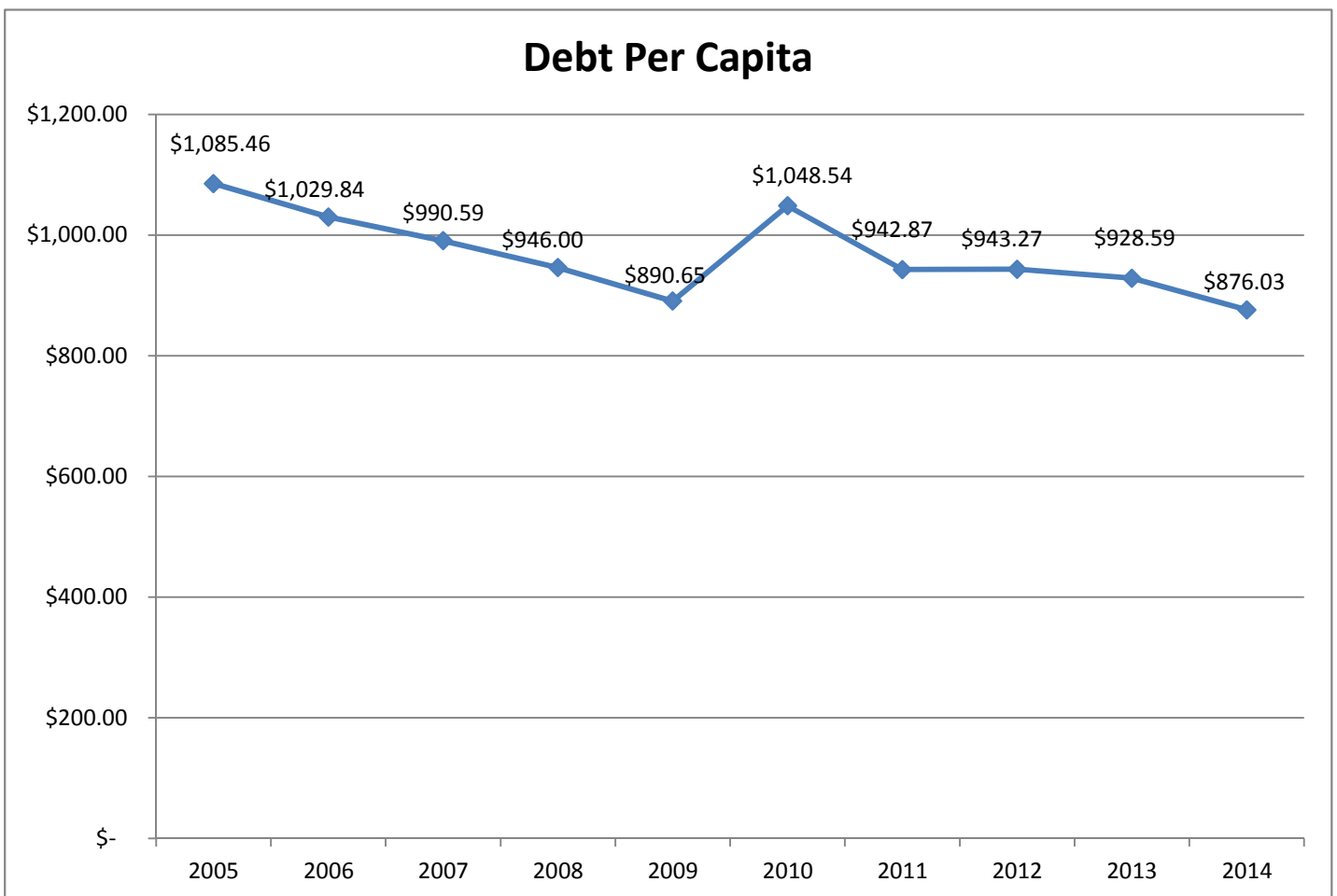
Note (2): Photocircuits Corporation no longer has its plant operations in the County



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

Fiscal Year	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita
	Revenue Bonds	Certificates of Participation	Capital Lease Obligations	Water Revenue Bonds			
2005	\$ 54,420,000	\$ 5,000,000	\$ 6,484,442	\$ 44,270,000	\$ 110,174,442	2.74%	\$ 1,085
2006	53,255,000	5,000,000	5,799,642	42,740,000	106,794,642	2.58%	1,029.84
2007	52,035,000	5,000,000	5,082,214	41,150,000	103,267,214	2.40%	990.59
2008	50,755,000	5,000,000	4,463,309	39,490,000	99,708,309	2.34%	946.00
2009	49,410,000	3,981,203	3,672,183	37,760,000	94,823,386	2.11%	890.65
2010	47,995,000	3,220,000	2,786,133	57,970,000	111,971,133	2.31%	1,048.54
2011	40,300,000	3,220,000	1,878,632	55,080,000	100,478,632	2.18%	942.87
2012	39,350,000	1,331,000	948,566	60,040,000	101,669,566	2.12%	943.27
2013	39,540,453	872,000	-	59,432,952	99,845,405	1.96%	928.59
2014	38,241,004	872,000	-	55,817,664	94,930,668	1.81%	876.03

(1) Source: The Bureau of Economic Analysis



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

Fayette County, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

<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)	\$ 65,640,447	100%	\$ 65,640,447
Peachtree City (b)	3,185,000	100%	<u>3,185,000</u>
Subtotal for Overlapping Debt			\$ 68,825,447
Certificates of Participation	872,000	100%	\$ 872,000
Fayette County Public Facilities Authority	38,241,004	100%	<u>38,241,004</u>
Subtotal for Direct Debt			<u>39,113,004</u>
Total Direct and Overlapping Debt			<u>\$ 107,938,451</u>

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

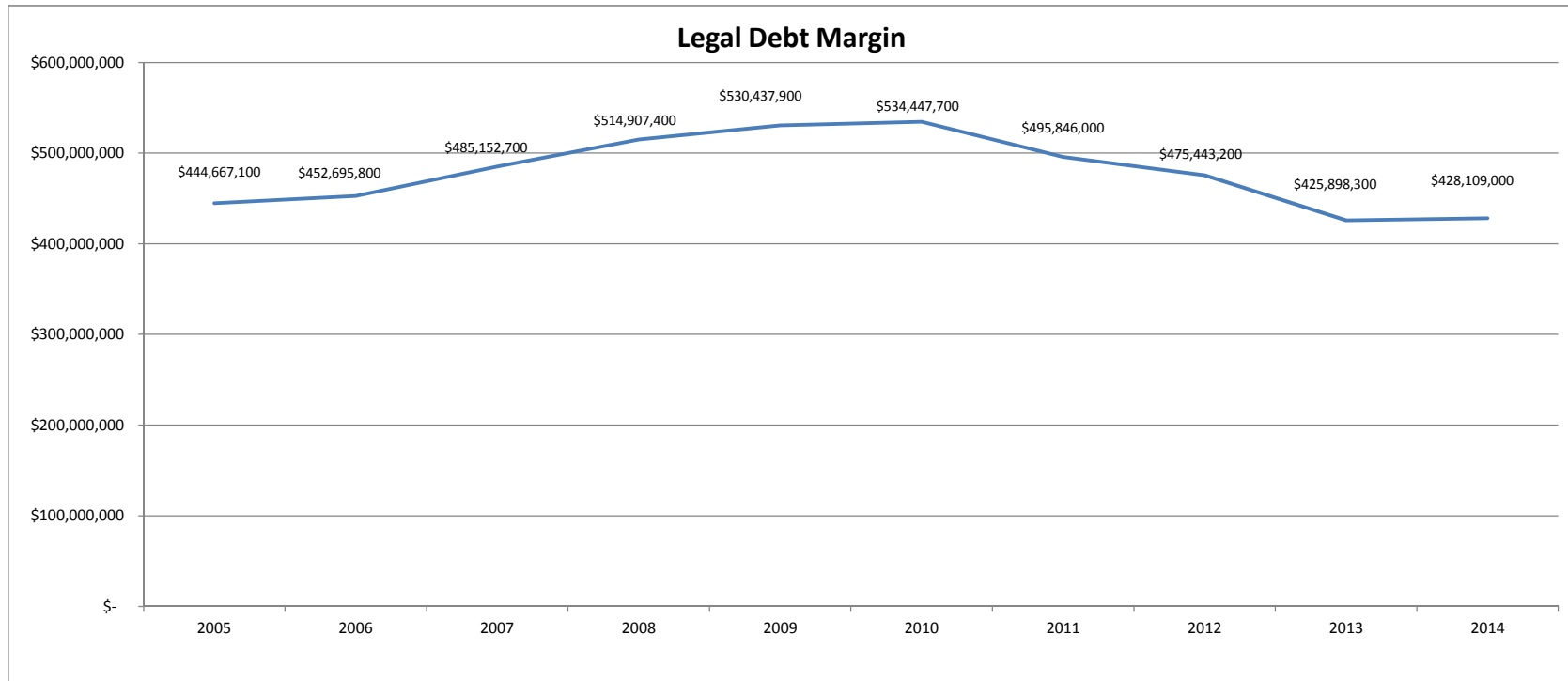
(b) Per the Peachtree City FY2013 CAFR online.

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal Debt Margin Calculation:										
Net Assessed Value of Property (amounts in \$1,000 increments)	\$ 4,446,671	\$ 4,526,958	\$ 4,851,527	\$ 5,149,074	\$ 5,304,379	\$ 5,344,477	\$ 4,958,460	\$ 4,754,432	\$ 4,258,983	\$ 4,281,090
Debt Limit (10% of Net Assessed Value) (amounts in \$1 increments)	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 514,907,400	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000
Less: Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Add: Debt Service Funds Available	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 444,667,100	\$ 452,695,800	\$ 485,152,700	\$ 514,907,400	\$ 530,437,900	\$ 534,447,700	\$ 495,846,000	\$ 475,443,200	\$ 425,898,300	\$ 428,109,000
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.



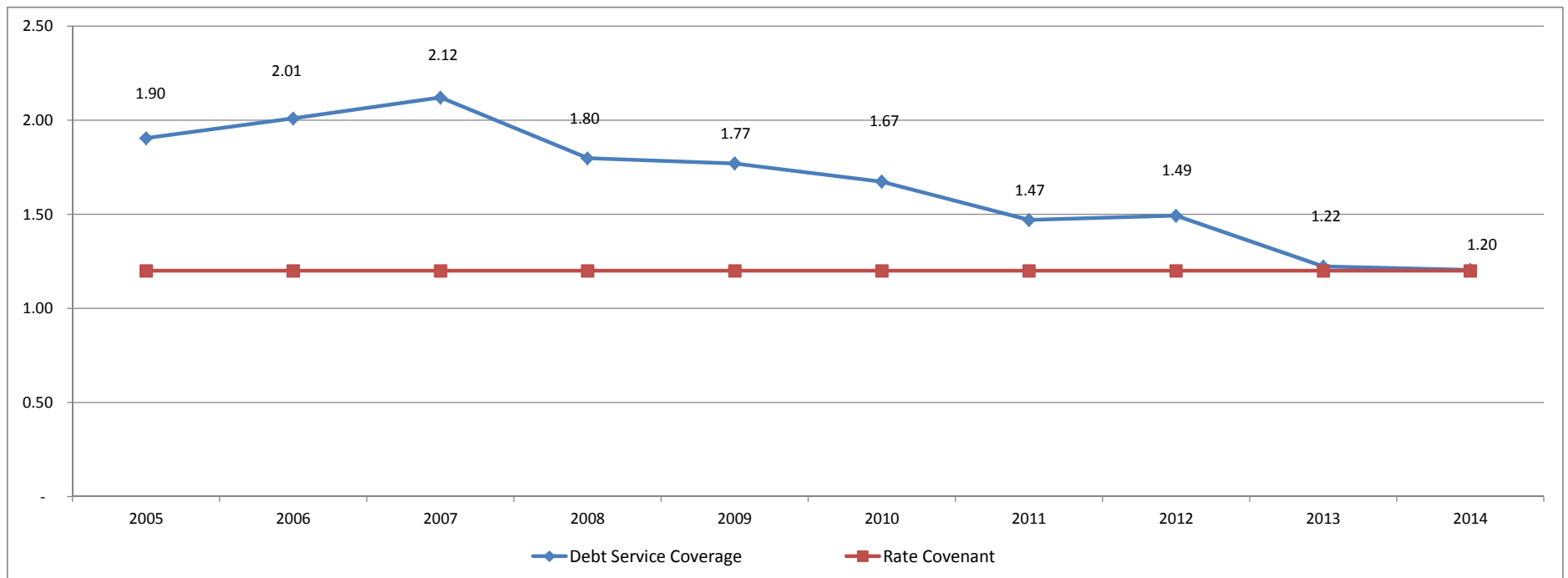
**Fayette County, Georgia
Pledged Revenue Coverage
Last Ten Fiscal Years**

	For Fiscal Year Ended June 30, 2014									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross Revenues (1)	\$ 11,887,582	\$ 12,430,665	\$ 13,542,989	\$ 12,285,528	\$ 12,491,307	\$ 13,344,254	\$ 14,289,067	\$ 14,570,866	\$ 13,989,889	\$ 13,675,296
Reasonable and Necessary Operating Costs (2)	4,938,090	5,095,451	5,814,275	5,730,442	6,045,049	6,060,856	6,466,224	6,450,737	6,856,701	6,904,137
Net Revenue Available for Debt Service (3)	6,949,492	7,335,214	7,728,714	6,555,086	6,446,258	7,283,398	7,822,843	8,120,129	7,133,188	6,771,159
Debt Service Payments	3,648,231	3,650,154	3,644,350	3,645,225	3,641,311	4,351,288	5,320,501	5,440,539	5,833,311	5,622,275
Coverage	1.90	2.01	2.12	1.80	1.77	1.67	1.47	1.49	1.22	1.20

(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.

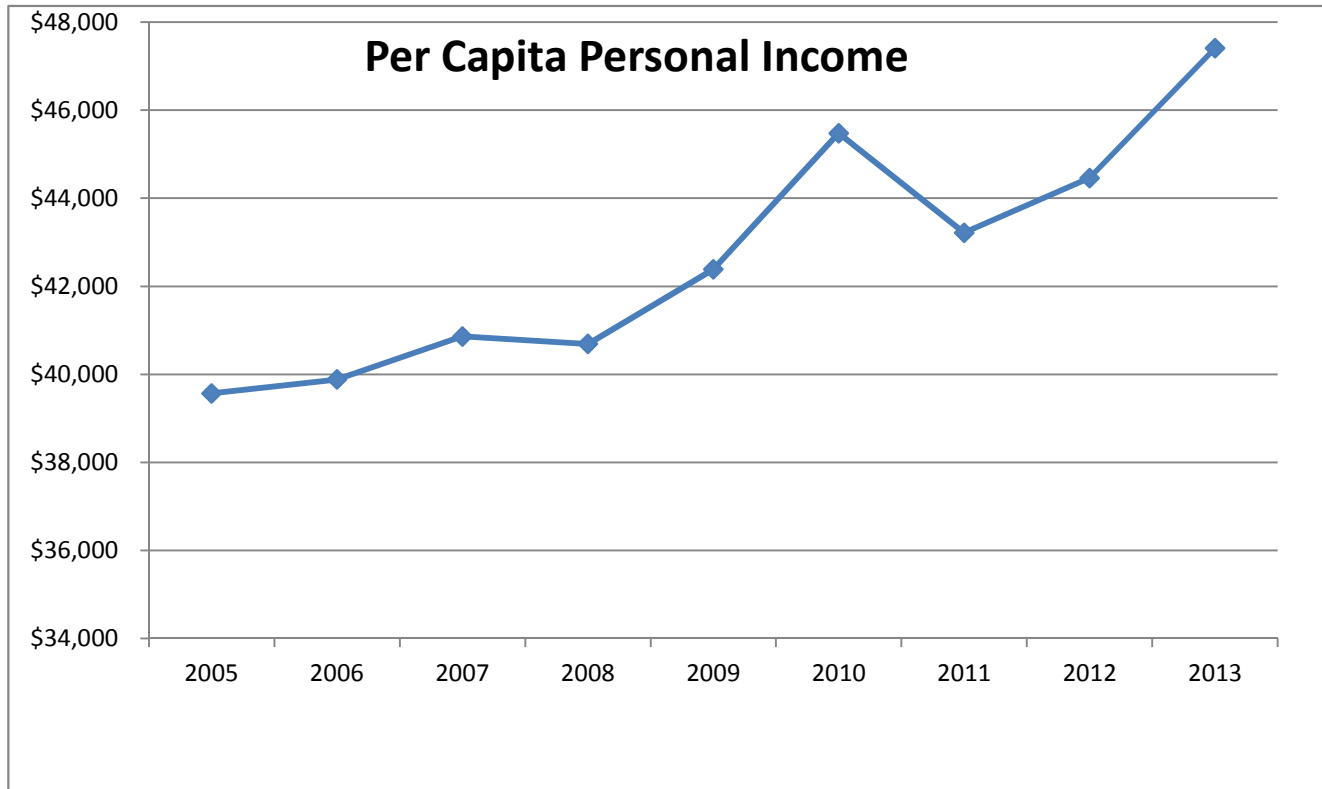


**Fayette County, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	(1) Population	(2) Personal Income	Per Capita Personal Income	(3) Median Age	(4) School Enrollment*	(5) Unemployment Rate
2005	101,500	\$ 4,016,000,000	\$ 39,567	39	21,624	4.6%
2006	103,700	4,136,000,000	39,884	39	22,338	4.3%
2007	104,248	4,259,600,000	40,860	40	22,291	4.0%
2008	105,400	4,266,407,000	40,691	40	22,367	5.4%
2009	106,465	4,484,620,000	42,384	40	22,108	5.7%
2010	106,788	4,838,366,000	45,474	42	22,047	7.9%
2011	106,567	4,614,827,000	43,215	42	21,683	9.0%
2012	107,784	4,792,110,000	44,460	43	21,120	7.3%
2013	107,524	5,097,304,000	47,406	43	20,506	7.0%
2014	108,365	5,246,261,000	48,413	42	20,301	7.1%

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

*School enrollment reported for 2006, 2007 and 2010 was corrected based on Fayette County Board of Education CAFR



**Fayette County, Georgia
Principal Employers
Current Year 2014**

Private Employer	2014		
	Employees	Rank	Percentage of Total County Employment
Piedmont Fayette Hospital	1,500	1	3.35%
NCR	1,200	2	2.68%
Panasonic Automotive Systems	1,100	3	2.46%
Eaton (formerly Cooper Lighting)	750	4	1.68%
Hoshizaki America, Inc	350	5	0.78%
SANY America	220	6	0.49%
FAA Tracon	190	7	0.42%
AMCOR	140	8	0.31%
Rinnai	100	9	0.22%
Gerresheimer	100	10	0.22%
Total	<u>5,650</u>		<u>12.63%</u>

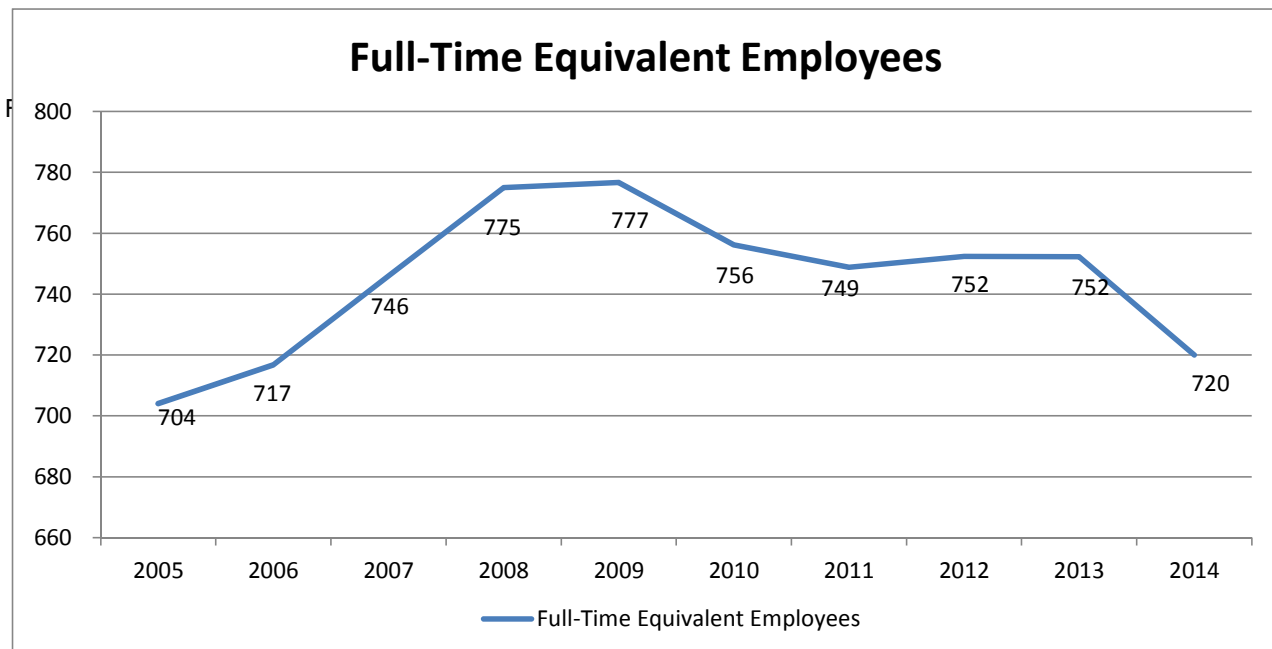
Source: Fayette County Development Authority

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

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

Function	For Fiscal Year Ended June 30,									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government	113	113	120	125	124	113	111	112	112	104
Judicial System	53	54	58	58	58	56	56	59	59	56
Public Safety:										
Animal Control	5	6	6	6	7	7	7	5	5	5
Coroner	3	3	3	3	3	3	3	3	3	3
Emergency 911	30	30	36	36	36	36	36	36	36	36
Emergency Services	37	41	45	47	47	47	47	47	43	43
Fire	93	97	99	105	105	105	105	105	105	99
Marshal	10	10	12	12	12	11	11	11	11	-
Emergency Management	-	-	-	-	-	-	-	-	4	3
Sheriff	214	216	217	230	230	230	230	230	231	227
Total Public Safety	392	403	418	439	439	438	438	437	438	416
Public Works:										
Roads	49	47	49	50	51	48	45	45	45	43
Water System	61	62	62	62	63	62	61	61	61	65
Stormwater	-	-	-	-	-	5	5	5	5	5
Solid Waste Management	-	1	1	1	1	1	1	1	1	1
Total Public Works	110	110	112	113	115	116	112	112	112	114
Housing and Development	19	20	20	21	21	14	14	14	13	12
Culture and Recreation	17	17	18	19	19	18	17	18	18	18
Total	704	717	746	775	777	756	749	752	752	720

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



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

<u>FUNCTION</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government:										
Number of Registered Voters	67,851	70,000	71,000	71,000	75,967	75,448	76,980	79,710	73,572	80,001
Number of Parcels Assessed	39,194	40,348	41,709	42,000	42,479	42,479	42,479	42,134	42,179	42,325
Judicial System:										
State Cases	1,570	n/a	1,120	1,875	2,341	2,294	2,325	1,805	3,354	2,101
Superior Cases	825	n/a	903	875	872	887	900	513	3,347	2,768
Magistrate Cases									4,759	4,481
Firearms Licenses	969	1,256	838	893	937	1,342	1,472	1,903	2,936	2,301
Juvenile Cases Filed	2,025	2,100	2,007	2,500	1,961	1,379	1,379	1,108	1,105	1,022
Marriage Licenses	699	1,100	633	697	641	617	619	600	656	617
Real Estate Instruments Filed	35,125	n/a	33,193	30,500	18,449	18,800	18,800	16,236	19,942	21,214
Public Safety:										
Average Daily Jail Population	217	220	228	228	261	256	256	292	255	246
Fire/EMS Dispatch (1)	10,874	11,589	n/a	11,970	12,010	12,797	13,441	12,954	11,240	14,077
Law Enforcement Dispatch (1)	46,070	46,737	n/a	n/a	n/a	45,554	45,950	46,236	46,841	46,520
Public Works:										
Number of Vehicles Serviced	220	196	198	194	340	484	336	348	354	371
Street Maintenance (Miles)	475	478	510	601	687	576	529	528	529	530
Water Production (MGD))	9.0	9.1	7.9	8.9	8.5	7.8	7.8	8.7	8.4	7.9
Water System Customers	26,057	26,945	26,935	27,800	27,234	27,493	27,698	27,881	28,002	28,927
Housing and Development:										
Building Permits Issued	833	800	743	750	292	632	632	713	186	185
Culture and Recreation										
Monthly Circulation of Library Materials	25,997	27,083	27,083	26,867	26,832	55,181	42,400	53,601	27,681	35,306
Number of Programs and Classes Offered	341	350	327	315	398	497	497	549	619	802
Reference Questions Answered Monthly	7,917	8,083	8,083	8,167	8,145	10,417	11,436	2,594	2,925	2,984

Source: Fayette County Budget Document
Source: Department statistical data

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

Function	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</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
Judicial System:										
Justice Center	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Patrol Vehicles (1)	N/A	160	160	155	162	162	158	158	160	160
Fire Stations	9	9	9	9	9	9	9	9	9	9
Public Works:										
Miles of County Maintained Roads	474.5	478.2	510.0	601.6	687.0	576.0	529.0	528.0	529.2	530.0
Miles of Road Resurfacing	38.9	33.2	33.2	55.4	26.2	26.2	25.0	33.2	14.1	12.9
Culture and Recreation										
Park Acreage	366	366	366	366	366	366	366	366	455	455
Parks	6	6	6	6	6	6	6	6	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

(1) Information not available for fiscal year 2005.

Source: Fayette County Fixed Asset Records and Department Heads

Fayette County, Georgia
Schedule of Insurance Coverages
June 30, 2014

<u>Property Coverages</u>	<u>Amount In Force</u>
Property (1)	\$ 141,337,220
Other Equipment	14,352,798
Flood and Earthquake	5,000,000

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

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

Other Coverages

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

Self-Insured Risks

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